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NEWS SUMMARY

BUSINESS

Grocery prices rise sharply

● GROCERY PRICES have risen sharply again. The Financial Times Grocery Prices Index has gone up .694 points to 237.28, a rise of 3 per cent. in a month.

Higher meat prices caused nearly half the increase, while potatoes, bread, tea and cofffee also cost more. Page 31

● PUBLIC CONFIDENCE in the financial outlook has fallen sharply to the lowest levels seen in recent years, according to the latest survey for the Financial Times. Page 31

● NEW TREASURY forecasts are likely to downgrade prospects for economic growth and employment. Page 13

● LOCAL COUNCILS have nearly 50,000 jobs unfilled and a further 70,000 jobs could be lost over the next two years, as a result of the Government's efforts to cut public spending. Page 13

● CIVIL ENGINEERING contractors want the Conservative Party to promise to repeal any legislation to extend the direct labour operations of local councils. Page 10

Bonn expects big surplus

● WEST GERMANY'S trade balance last month is expected to show a big surplus—nearly double its recent level—and Bonn officials appear to be nervous about the likely effect on currency markets when the surplus is officially announced. Page 4

● SOVIET UNION is recovering from last year' agricultural disaster and is heading towards one of the largest grain harvests in its history. Pag e4

● EEC Finance and Agriculture Ministers will meet in Luxembourg this week to review the whole philosophy and workings of the Common Agricultural Policy. Page 4

● FOREIGN CAR groups in the U.K. have ben trimming profits to win a bigger market share, according to a survey. Page 13

● INDUSTRIAL FASTENER industry, which has cut its workforce in the face of weak demand and rising costs, says that it may be unable to meet the demands of the car companies next year. It wants a schedule of requirements in order to avoid artificial shortages as the market picks up. Page 10

N. Sea work beats target

● DEVELOPMENT work on the Frigg gas field in the North Sea is running ahead of schedule. The field may start producing gas in early autumn next year. Page 13

● MK SHAND, which specialises in putting a concrete coating on pipes for North Sea oil and gas, has made 230 employees redundant because of a lack of orders. Page 10

● NEW TALKS will be held to-day to try to end the four-month-old strike which has halted construction of the Isle of Grain power station. Page 13

● CALDER HALL, the world's first nuclear power station of commercial size and opened 20 years ago this month, could remain in service for another two decades, according to an appraisal by British Nuclear Fuels. Page 10

● MARSTON PAXMAN, a subsidiary of Imperial Metal Industries, is planning a £1m. expansion of its activities in liquid cooling and air conditioning. Page 10

● PASSENGER TRAFFIC through Britain's main airports continue to rise steadily, indicating that the recession in civil aviation is over. Page 10

Inflation accounts proposals due on November 30

BY MICHAEL LAFFERTY

The inflation accounting proposals to be published on November 30 by the accountancy bodies will incorporate elements of the accountants' own current purchasing power system, which was broadly rejected by most companies in 1973-74, as well as the basic current cost accounting (CCA) system recommended in the Sandilands Report.

The profession remains divided on many of the recommended procedures and much will depend on the sides taken up in the debate which can be expected to start in December.

The exposure draft document, which will be known as ED 18, is likely to provoke considerable controversy. Some major industrial companies can be expected to oppose any departure from the Sandilands system.

But the proposals should be welcomed by banks and financial institutions, which regard the Sandilands proposals alone as inadequate for their particular circumstances.

The new system, which will eventually replace traditional historic cost accounts, will be introduced over a four-year period, starting with quoted companies, nationalised industries, and other companies with assets or turnover in excess of £10m., and with accounting periods beginning after June 24, 1978.

This is six months later than suggested in the Sandilands Report. Companies with more than 50 per cent. of their assets overseas will be given until 1979 to make the change, while, at the other extreme, businesses with a turnover of less than £100,000 may never have to make the changeover.

The discussion period for the exposure draft has also been extended from three to six months.

The Accounting Standards Committee (ASC)—the profession's rule-making body on accounting matters—completed its consideration of the draft prepared by Mr. Douglas Morpeth's steering group on Friday.

The format of this new statement, first put forward by the accountancy bodies in their comments on the Sandilands Report, has been simplified. In it, companies would only have to apportion the loss, or gain, in their

The main feature of the proposed profit and loss account layout under CCA are:

	£	£
Operating profit/loss		X
Interest		X
CCA profit/loss before extraordinary items		X
Less: Extraordinary items		X
CCA profit for the year		X
Surplus arising from revaluation of assets	X	
Less: Transfer to capital maintenance reserve	X	X
Net surplus/deficit available for appropriation		X

shareholders' purchasing power during the year between that attributable to net monetary assets—such as cash, creditors and debtors—and that relating to all other items.

But the document to be published on November 30 will not differ substantially from the original Morpeth proposals.

Running to about 80 pages, it would require companies to publish not only a balance sheet and profit and loss account, but also a supplementary statement comparing their performance with changes in the Retail Price Index.

It is this new statement and the question of whether losses or gains from holding net monetary assets or liabilities

Continued on Back Page

Wealth Tax plan may be dropped

BY ADRIAN HAMILTON

THE GOVERNMENT'S plans to introduce a wealth tax, held up since a divided committee reported last December, could be quietly dropped from the next parliamentary session as well, or further delayed with more time for public discussion.

In the face of continuing confusion over the current legislative programme, the Cabinet has yet to decide on the full list of bills to be mentioned in the Queen's speech next month.

It is known that the Treasury and some leading Cabinet Ministers would be happy if the wealth tax proposals were left out or "lost" in the next session.

Besides the political sensitivities involved in introducing such a tax at this time, it is felt that the Inland Revenue would be hard pressed to cope with a highly complex new impost.

Devolution

Already the Government is having to consider delaying the new session and letting some Bills lapse in the present session because of the pressure on parliamentary time.

With most of next year likely to be devoted to getting the devolution Bills through, the successful passage of some contentious measures such as employee participation and dock nationalisation appears less probable.

A wealth tax Bill, which would be bitterly fought by the Opposition and would require continuous amendment at committee stage, would add greatly to the Government's parliamentary problems.

Any further delay in introducing the tax would prove especially welcome to the City.

A select committee of MPs who studied the subject last year ended by publishing five separate reports because of their disagreements.

Since then the City and the Confederation of British Industry have continued to object vehemently to the proposal, contending that the tax would have a disastrous impact on small businesses and would prove very costly to administer.

On the other hand, the tax remains a fundamental demand by the Left-wing of the Labour Party, which enshrined it in its last manifesto. It is a formal part of the social contract with the unions.

Open delay would bring strong protests from many Labour MPs.

Loan to U.K. 'none of our business'-U.S.

BY DAVID BELL

WASHINGTON, Oct. 24.

Mr. WILLIAM SIMON, the U.S. Treasury Secretary, to-day described as "irresponsible and patently untrue" reports in London at the week-end that the U.S. and the International Monetary Fund had already agreed on detailed conditions for the proposed $3.9bn. British drawing from the Fund.

This response, which the Secretary took the unusual step of issuing on a Sunday, was echoed by the IMF. Mr. William Dell, the Fund's acting managing director, said that the reports "have absolutely no basis in fact as to either the Fund's method of procedure or the particular nature and size of the terms."

"The Fund does not and cannot detail its views or detailed measures until after a careful examination of the economic indicators on the spot."

An IMF mission is expected to leave for Britain within two weeks.

Mr. Simon said that the negotiations between Britain and the IMF were "not any of our business, and reports of this kind could create severe disorders in foreign exchange markets."

Resentment

The U.S. had never discussed with the Fund any conditions that it might impose in return for a loan to the U.K. and had no intention of doing so. "It is entirely a matter for the IMF."

American Treasury officials said that the Treasury did not have, and never had had, any "preferred" exchange rate for the pound. One mentioned that the U.S. had provided a major share of the six-month $5.3bn. swap agreement announced in June, and would not have done so had it expected the pound to fall sharply.

In recent weeks the U.S. has made little secret of its belief that Britain had no realistic alternative but to go to the IMF for longer-term credits of the kind now being sought.

Officials have been careful not to interfere with these discussions, and strongly resent any suggestion that they and the IMF might be working together to impose any particular set of conditions.

London concern

● Adrian Hamilton writes: While official sources in London dismiss the report of an IMF demand for a sterling devaluation to $1.50 as totally unfounded, there was considerable concern among the Government over the potential response of the sterling exchange markets to-day.

In spite of all the moves of the last few weeks the sterling market has remained weak and nervous, and there are fears that even small incidents could cause a sudden slide difficult to control.

The Government has contingency plans in this event, including sterling import deposits. But the Bank of England would have to support sterling at its present levels to still devaluation fears, thus using up further sums from the Central Bank credit. The whole process of negotiation with the IMF, and economic policy plans in the country, could be thrown into a higher gear.

Rhodesian sides still as far apart as ever

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

GENEVA, Oct. 24

THREE DAYS before the formal opening of the British-sponsored Rhodesia conference here the African Nationalists and white Rhodesian delegations have issued statements which suggest that their public positions are as far apart as ever.

While the dispute centres on the so-called Kissinger plan, it clearly masks deep divisions on the purpose of the conference.

Mr. Ivor Richard, the British chairman, must work hard to find a common basis for negotiation between the five main participants.

Two Nationalist delegations, led by Mr. Robert Mugabe and Mr. Joshua Nkomo, arrived here this morning. The two others, headed by Bishop Abel Muzorewa and the Rev. Ndabaningi Sithole, are due tomorrow morning.

Mr. Mugabe said on arrival: "The theme of the conference must be the transference of power and the achievement of independence within the next few months."

This, he said, "necessarily excludes the Kissinger plan about which we were not consulted and which stands completely rejected by us."

Mr. Nkomo said that the Kissinger plan had "serious flaws." The purpose of the conference was to set up in the shortest possible time a transitional Government which reflected majority rule. Both men said that the guerilla war would not only continue but be intensified.

Comfort taken

That these provisions were far removed from those of the white Rhodesians was reemphasised by Mr. Pieter van der Byl, Minister of Information, who repeated that the Kissinger package was non-negotiable.

While speculation continues as to whether the U.S. and Britain, in the light of African hostility, have climbed down on the deal sold by Dr. Kissinger to Mr. Smith, it is clear that the central issue now is whether Mr. Smith is prepared to negotiate an interim Government which would give real power to the Nationalists.

Mr. Smith's delegation insists that this is impossible. They say the main point of the conference is to set up the Council of State which, with its white chairman, is the "supreme body" and would appoint an African-majority interim Government on return to Rhodesia.

This would not be remotely acceptable to the Nationalists. However, so far Mr. Richard has not lost heart. Comfort is taken from the fact that all delegations invited are attending.

Indicating that they expected Mr. Smith to make concessions, British spokesmen said that the Rhodesians were well aware of the Anglo-American view that the Kissinger plan was simply a basis for negotiation, and that if Mr. Smith were not prepared to negotiate on it, he would not be in Geneva.

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Ford may seek Peugeot diesels for Granada

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

FORD U.K. is undertaking a revision of its strategy on diesel-powered cars which may result in a deal with Peugeot, the French car manufacturer, to supply engines for a version of the Ford Granada.

The talks with Peugeot, a company which has produced a range of diesel engines for many years, came after a period of rapid expansion in the sales of diesel cars in Europe.

In response to this increasing demand, several Continental manufacturers have stepped up diesel production. Mercedes has built up its diesel car output to almost 50 per cent. of its capacity; Citroen is planning to allocate about 20 per cent. of its output of the CX model to the diesel version; and Volkswagen is introducing a small diesel Golf.

The reaction of British car manufacturers to these changes has been more sceptical, although British Leyland is planning to put a diesel engine into the Princess. They feel that the conventional petrol engine has as much scope for economies as the diesel.

Ford has been a strong supporter of this approach and remains unconvinced of the argument for diesels in smaller vehicles, despite Volkswagen's new involvement.

More cuts in spending plans

BY COLIN JONES

THE GOVERNMENT has accepted that local authorities have made further reductions in their spending plans since July. But the cuts have not been large enough to prevent what Ministers consider could still be a significant measure of overspending during the present financial year.

The probable over-run in revenue expenditure is now put at about £175m. as against a forecast of £243m. in July and one of £417m. in May when local councils first returned details of their 1976-77 budgets.

These figures, which are all at November, 1975, prices, do not allow for the deficits on local authority housing revenue accounts where an excess of about £100m. was predicted in May and one of about £60m. in July.

In overall public expenditure terms, the prospective overspend now looks like being about 2-2½ per cent. in real terms.

This is a marked improvement on the figures of 5¾ per cent. and 3½ per cent. indicated earlier in the year. It is still more than Mr. Peter Shore, Environment Secretary, is prepared to accept.

Some local authority leaders are claiming that any overspending on current account could be largely offset by underspending in capital programmes, where spending intentions have been cut by a further £70m. since July.

But at this stage, Mr. Shore is inclined to doubt whether the latest reductions will do more than bring expenditure back on course with the Government's original guidelines.

On either view, local authorities will still face the prospect of having to make further large cuts next year if they are to meet the Government's existing published targets.

On the basis of the latest estimate of this year's likely outturn, the required reduction in current expenditure could be about 3-3½ per cent. in real terms.

This is more than many local leaders think could be achieved by further reductions in services, by raising fares, rents, and charges, and by relying on normal manpower wastage.

In view of the widespread resistance by the public sector trade unions and by some local councils to compulsory redundancies among local authority employees, the chances of a reduction in spending of the required magnitude cannot therefore be rated very high.

Mr. Shore, however, has warned local councils that the 1977-78 rate support grant will be based on the Government's expenditure targets. If this threat were to be implemented, local ratepayers in many areas could be faced with another round of stiff increases in their rates bills in April.

Union fears over spending cuts Page 13

Healey has totally failed, says Howe

BY RICHARD EVANS, LOBBY EDITOR

MR. DENIS HEALEY, the Chancellor, is accused to-day of establishing an "unbelievable record of failure of assumptions, policies and forecasts" in his handling of the British economy.

Sir Geoffrey Howe, shadow chancellor, spells out in a statement to the Conservative Political Centre in his East Surrey constituency the "appalling consequences" that would follow from Mr. Healey's decision to raise minimum lending rate to a record 15 per cent.

It would, he said, probably lead to a reduction in national output of at least an additional ¾ per cent.; an increase in registered unemployment of about 125,000 on the most cautious calculations; and an increase in shop prices of 2.5p in the £ because of the 10 per cent. drop in the exchange rate between June and September.

This could increase unemployment by at least as much as the tight monetary policy.

Dearer imports and tighter money could increase the dole queues by a further 250,000 and put out of work tens of thousands of others whose names would not appear on the unemployment registers.

LOMBARD

Cargo cults for modern wizards

BY SAMUEL BRITTAN

IT IS TIME that somebody wrote a history of the various crazes which have both entertained and afflicted humanity. It might start with a passion for applies in the Garden of Eden, say a little about the craze for tulips in the Netherlands in the 17th century and for South Sea investments in London in the 18th. But the weirdest chapter of all would be the last one, which would have to be on the craze for economic forecasts which has hit London in the middle 1970s.

There was a time when a few Treasury economists sat around a table and did a few sums and discussed the outlook with each other. But this only showed how technologically out of date they were. The model had to be enlarged and computerised to a point where no single person could understand how it was all supposed to work. The National Institute Review was set up to establish an independent check, although the similarity of the underlying philosophy made the competition somewhat less than ferocious. Then we had the London Business School, which has gradually evolved a slightly different approach. Rumour has it that the Bank of England is using this model but has changed its assumptions to make it more *like those of the Treasury*. A more recent arrival has been the Cambridge Economic Policy Group, which focuses on the medium term and has a few special theories of its own.

Landscape

But people have not been content with these familiar features of the landscape. Every self-respecting stockbroker interested in entering the economic debate, has sought to equip himself with his own forecast. *Industrial organisations* have asked their own economists to make their own models. But for those who cannot afford their own operation, or who want an independent check, there are numerous commercial groups who for a suitable fee will let you know the GNP of any country in any year you like.

But it is not always clear *what the users really want. Do* they wish to forecast what will actually happen or what the Treasury thinks will happen? It may be quite sensible to concentrate on the second. You may not be able to predict the balance of payments or the unemployment rate for the winter after next; but if you can predict the Treasury forecast, you will have some clue about tax increases or cutbacks in public investment which will actually affect your business.

The process has reached its culmination in the digree of reverence with which the third and official National Income Forecast (NIF) is being treated. *The Treasury's whole economic* assessment and advice to the Government have been made to wait for the NIF. This is scheduled for this week, although teething troubles, or second thoughts by officials who are unconvinced by the results, could always bring delays. The timing of the full IMF mission, due in London next week, has been largely determined by the desire to wait for NIF.

The 'NIF'

The Treasury is indeed committed to publishing something of its own in a few weeks' time. But it is still to be decided how informative this will be or how much relation it will have to the actual assessment placed before the Chancellor, which will not necessarily be known to other *ministers. The main use of the* commercial dial-in facilities will be to find out the intended effects of actions within the Government's control; for example, what the increase of indirect taxes through the Regulator is expected to do to save on retail prices or import volume.

Unfortunately the Government itself is staking most on the NIF just when its actual value is at its least. To say "garbage in, garbage out" would to too harsh. Butthemodelc annot help to answer mapor uncertainties on matters such as the course of world trade, how well the pay limit will stick, what overseas holders of sterling are going to think, or whether British consumers will be in a saving mood. At most it can say whether the different assumptions are consistent with each other, but the attempt at consistency can actually compound the rrors.

The fundamental defects of an entirely forecasting approach to economics would not make very light reading. But one is irresistibly reminded of the cargo cults which have developed in the South Seas.

THE WEEK IN THE COURTS

Tameside case fails to dent executive power

BY JUSTINIAN

THE TAMESIDE case may not be quite the watershed in the development of English administrative law that has been claimed for it. Ever since last August when the House of Lords denied Mr. Fred Mulley, the then Education Minister, the remedy against the local education authority for putting its political opponent predecessor's plans for total comprehensive education into reverse. Speculation has been rife about a new judicial inroad into Executive power. Any scrutiny of the judgments of the five Law Lords, who last week delivered their reasons for unanimously deciding against Mr. Mulley, will induce in legal and constitutional *commentators a distinct note of* caution. One or two Law Lords seem positively to flex their judicial muscles, while others stoutly take a much more *circumspect line* in restricting the powers of judicial review over administrative action to what has been established law for some years now.

If one takes the senior Law Lord, Lord Wilberforce, one finds little that will make the innovators of a proud new administrative law jump for joy. *First*, his judgment highlights the fact that the case turned on the Education Act 1944—that great legislative declaration of a glorious future in education, but hardly a statute that defines legal rights and obligations with any degree of clarity. The discretionary powers vested in the Secretary of State by that Act are quite different from discretionary powers given to Ministers in other Acts of Parliament. Hence no broad conclusions can be drawn from the Tameside decision.

Section 68

Second, the ministerial discretion in Section 68—the provision allowing the Minister to give directions to a local authority as to the exercise of the latter's powers and duties "if he is satisfied" that the local authority has acted or is proposing to act unreasonably—is unique. It is not a mere exercise of ministerial discretion. The Minister reviews the action of another public body that has itself discretionary powers and duties. By contrast with the ordinary case, where the courts are asked to review a ministerial discretion, the Minister may substitute his opinion for that of the local authority, but only after he has taken into account what the local authority itself is entitled to do under the Education Act.

The vital factor in the Tameside case was that the local authority having a primary power to determine educational policy in its area, and elected *under a mandate from its* electorate to decide what kinds of schools it wanted, was given specific powers to give effect to its wishes in the educational field. From that situation two other situations could arise. First, there could be a difference in policy between the central government and the local authority; the Education Act gives no power to the Secretary of State to impose his policy. And indeed no attempt was made by Mr. Mulley to say that his government's policy of total comprehensive education should prevail.

Elections

The other situation arises out of the consequences of the democratic process of regular local government elections. A change in the political complexion of the elected local authority inevitably, in a subject charged with so much political emotion as education, leads to a reversal of policy. And a reversal of policy, if at all substantial, must cause some administrative disruption. The disruption in the education of children in Tameside was as great in 1975, when the borough was due to go comprehensive, as were the proposals of 1976 which the Minister sought to stop. Thus the mere possibility, or probability, of disruption itself could not be a ground for the Minister issuing a direction under Section 68 to abandon the policy. All the Minister could do was to issue a direction to ensure that the disruptions were not "unreasonable." And in this context unreasonable meant doing something greater than a body, elected to carry out a new programme (with which the Minister disagreed) ought to impose upon those for whom it was responsible. After all, those who voted the new masters into power with a new programme must be taken to have accepted some degree of disruption in having the new policy implemented. So ultimately the decision of the House of Lords turned on a narrow issue whether the Minister had given sufficient, or any weight to this particular factor in the exercise of his judgment. On this score he was, on the evidence, *found* wanting.

Good faith

None of this can be regarded as the stuff of a revolution in the constant struggle between the judiciary and the executive. The respective roles in the enforcement of the law *laid* down by Parliament is strictly observed. The courts are still unwilling to substitute their judgment for that of the Minister where the statute uses the phrase, "if the Secretary of State is satisfied. . ." Provisions like that, which abound in the statute book, may exclude judicial review on what is a matter of pure judgment. Parliament has left the decision to a Minister and it is not for the courts to be seen, even attempting to usurp that decision-making.

If, however, a Ministerial judgment requires, before it can be made, the establishment *of some facts, then although the* evaluation of those facts is for the Minister alone, the courts *must inquire* whether those facts exist, and more particularly that the Minister has taken them into account. Moreover, the Minister's judgment must be made upon him having properly directed himself as to the applicable law and it must not be made upon other facts that ought not to have been taken into account. If these requirements are not met, the exercise of the Minister's judgment, even if made in perfect good faith, becomes capable of challenge in the courts.

All that is restating established doctrine. The innovators may scour the Law Lord's judgment for statements of a different doctrine that gives an amplified power to the courts; and in Lord Salmon's speech there is some grist to that mill. The other three, however, do not materialy differ from the leading judgment of Lord Wilberforce. And that would seem, for the time being, to be the last word on the subject. Whether the Tameside case stimulates or dampens down the ardour for a Bill of Rights, remains to be seen.

SPORT

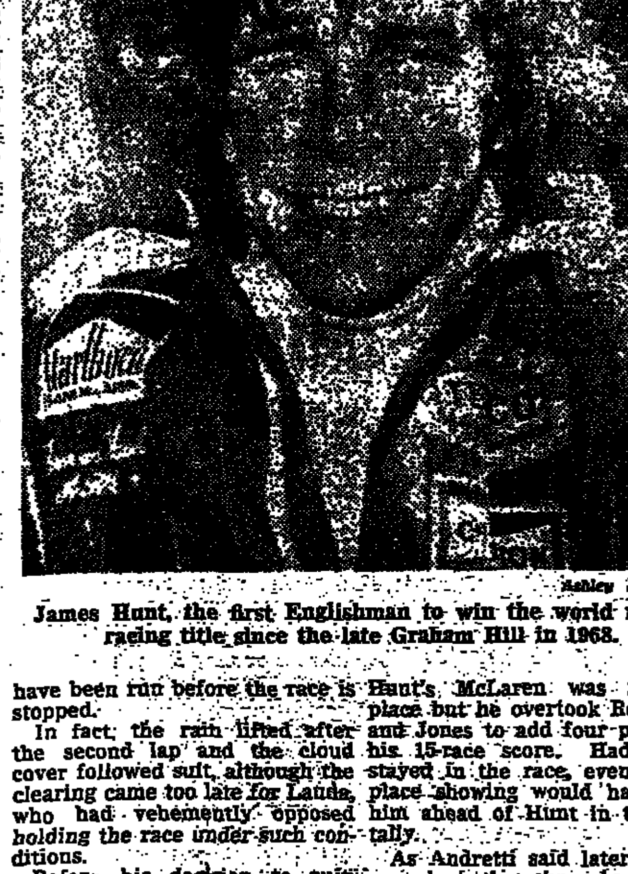
Master James the new lord of Formula One

From DOUGLAS RAMSEY, Tokyo, Sunday

BRITAIN'S James Hunt, wrestling his Marlboro-McLaren through the mist and rain at the foot of Mount Fuji, to-day won the world motor racing championship with a true grit, third-place finish in the Japanese Grand Prix. Niki Lauda of Austria, the 1975 champion and Hunt's only rival for this year's title, quit the race after only two laps, declaring that it was too dangerous to continue.

Hunt, 29, jumped his car into the lead immediately the race began—about 90 minutes behind schedule—and led until the 62nd lap, when he was overtaken by Patrick Depailler of France.

After the 67th lap, Hunt steered his car into the pits with worn-out tyres but had overtaken two drivers by the penultimate lap and finished third to win the title with 69 points to Lauda's 68.



Ashley As...

James Hunt, the first Englishman to win the world m... racing title since the late Graham Hill in 1968.

Later, sipping Japanese beer from a can, a jubilant Hunt said: "It was my lucky day. I just drove as hard as I could. I thought a little bit about the tyres during the whole race. I didn't get a good communication with my pit." Of the moment when he rejoined the race, Hunt said: "All I could do was go absolutely hell bent *for the flag. The conditions were* dangerous. I fully appreciate Niki's decision. It's just sad that we couldn't share the championship."

In the event, the race was won by America's Mario Andretti, in a John Player Lotus, in 1 hour, 43 minutes 58.86 secs. for an average speed of 183.6 kilometres an hour over 73 laps

Depailler finished second in his six-wheel Tyrell-Ford with Australia's Alan Jones, in a Surtees, fourth and Switzerland's Clay Regazzoni (Ferrari) fifth. Hunt's time was 1:44:00.06.

Lauda, driving a Ferrari, who had a three-point lead over Hunt before to-day's race, said later: "Of course I started off hoping to win the race, but the course condition was too bad for me to continue."

The race got off to a bad start in driving rain and low cloud, cover, but not before the drivers were consulted about whether or not to run the race. According to Hunt afterwards, only four of the field of 25 said Yes.

Nevertheless, the race organisers took the decision to let the race begin while warning that it *might have to be cancelled* before the full 73 laps required by Federation Internationale Automobile rules. FIA rules provide, however, that the results of the race can be accepted if at least 60 per cent. of the laps have been run before the race is stopped.

In fact, the rain lifted after the second lap and the cloud cover followed suit, although the clearing came too late for Lauda, who had vehemently opposed *holding* the race *under such* conditions.

Before his decision to quit, Lauda was leading in the points race for the championship with 68 for the first 15 races, despite a near-fatal injury in the German Grand Prix on August 1 which kept him out of the Austrian and Dutch races.

Despite extensive injuries and plastic surgery, which still shows the scars of severe facial burns, Lauda was back on the circuit for the Italian Grand Prix on September 12, placing fourth there and then finishing third to *Hunt in the U.S. Grand Prix at* Watkins Glen.

A second Ferrari was at the ready in case Lauda's quick exit was a mere matter of mechanics, but if the experts see Lauda's decision as a mistake, the other drivers in the race were sympathetic.

Hunt's tyre change almost cost him the fourth place he needed to overtake Lauda for the championship. As late as the 71st lap Hunt's McLaren was ir... place but he overtook Reg... and Jones to add four po... his 15-race score. Had ... stayed in the race, even ... place showing would hav... him ahead of Hunt in th... tally.

As Andretti said later, ... pure luck that the rain s... early in the race. Otherw... said, the first Japanese ... pionship in the intern... Grand Prix series would ... had to be cancelled, ... Lauda his initial lead in ... and thus dashing Hunt's ... for his first world champic...

But *Hunt's* luck held, en... him to consolidate his ... honours in this year's cha... ship when he won the S... French, German, Dutch, ... dian and U.S. titles, as w... finishing second in South ... fourth in Austria and fi... Sweden.

This has been an acrim... Formula 1 season. Hunt fi... first in the British Grand ... but was disqualified, an... troubled by technical obje... in Spain and Italy. But ... at Mount Fuji, Master ... proved to himself that he ... win a world championshi...

SOCCER BY TREVOR BAILE...

Liverpool look champio...

LIVERPOOL WERE seconds away from maintaining their position at the top of the First Division when McNiven, the *Leeds substitute, nipped in to* score a goal which gave United the draw they richly deserved. Nevertheless, the Merseyside machine did more than enough in this absorbing match to suggest that, providing they can avoid injuries and do not become overcommitted in other competitions, they will retain the championship by their *exceptional discipline, organisa*tion and technical expertise.

These characteristics almost enabled them to come away from Elland Road with a win despite exhausting experiences earlier in the week in Turkey, where they were rather surprisingly beaten 1-0 by Trabzonsport, an upset to their European aspirations which they should have little difficulty rectifying in the return at Anfield.

It is easy to win in peak form, but what counts in the long First Division campaign is being able to achieve positive results when *slightly off colour.*

On Saturday Liverpool, especially in a splendid first half, played neat, attractive possession football flavoured with occasional flashes of brilliance *but failed* to create as many positive scoring chances as their opponents. They owed a considerable debt to Clemence, who again demonstrated why he is England's No. 1 'keeper.

Although Leeds are no longer a great team, their recent revival together with their performance against Liverpool indicates that they *are still an above-average* First Division club. Their back four, with Madeley as second centre-back giving his usual immaculate display and largely snuffing out the threat of Keegan, were well drilled and efficient, but, apart from Currie, their half-back line was undistinguished.

It was indeed difficult to understand how Cherry, a functional grafter, has come to

TENNIS, RACING AND RUGBY UNION ON PAGE 34

be regarded as a serious candidate for further internationals.

Up front a brave, old-style centre-forward, Jordan, and two talented wingers were unable to make enough impression on Liverpool's compact rearguard, in which left-back Jones appeared to be a weak link. They clearly needed another fearless striker in the penalty area to support Jordan, so it was no mere coincidence that the arrival of McNiven in that role should have produced the dramatic equaliser.

Although there were no goals in the first half, there was plenty of high-quality football, fine saves by Clemence n... from Lorimer and Currie ... several delightful moves ... *nating from the latter* ... recalled the vintage yea... Bremner and Giles.

The second half provic... classic example of how ... tutes can prove effective. ... Eddie Gray had failed tc... Clemence from very ... following an inspired d... and a bout of inter-passin... the 'keeper had also m... *couple of good reflex save*... game appeared to be headi... a goalless draw until Liv... brought on Johnson to... rather lumbering Toshack.

The former Ipswich ... immediately introduced ... life to his attack. His pers... was largely responsible for ... running loose to Ken... whose left foot struck i... sweetly *into the Leeds ne*... shortly afterwards he m... two fine shots himself in ... succession.

Leeds, in a desperate ef... save the match, broug... *McNiven, a chunky, little p*... in the last seven minute... he did the trick.

The one unsatisfactory f... of a very entertaining ... was that the refereeing d... match the high standard ... play. Far too many foul... Leeds the main offenders ... unpunished, and it says m... Liverpool's discipline tha... did not retaliate.

Siege strategy dims stars

THE QUALITY of England's Soccer seems pegged to the pound, and its prospects are as unpredictable. A patriot cannot be purely pessimistic, nor a *realist* entirely optimistic. But if there is to be a renaissance in the near future one would look to Ipswich Town and Manchester City to be among the standard-bearers.

Both have such veins of richness as to encourage hopes of higher achievement. Ipswich's 1-0 home win over City on Saturday provided plenty of calories of spectator sustenance, yet lacked the finesse of a feast for gourmets.

Ipswich abound in honest industry, in commitment to attack, *in team* purpose, and youthful vitality. But young Bertschin has not yet the power and weight needed to sharpen the attack into real championship force—yes, Mariner of Plymouth, could possibly help—and the question must be asked: Have Ipswich enough midfield subtlety?

Bobby Robson's side shine like *a well-scrubbed, Persil-surpliced* choir, albeit with their quota of forgivable, unoriginal sin but without a man who can make real mischief for the opposition in midfield. The dexterous Woods monkeyed around nimbly on the flanks of City's defence and had a fine game, but he lacked the supreme talent to administer a true *coup de grâce.*

Manchester City have stars and star quality. But their defensive disciplines away from Maine Road have surely lowered their overall capability. If the main target for half their games is merely to stifle the home side, how can they possibly achieve their true potential?

It is surely siege strategy to feed a matchwinner such as Tueart with a diet of stale crumbs and condemn a Stakhanovite such as Hartford to a police role.

City are crammed with talent dying to leap out of its strait-jacket. Could they not strike a full double-blow for Manchester Lib?

Ipswich might have won the match in the first 15 minutes, when they riddled City's defence half-a-dozen times. Corrigan groped low, inspired or luckily, and defensive vigilance, always proved a fraction more potent than Ipswich's endeavour.

How long could Ipswich continue to hammer at that Manchester brick wall profitlessly without losing heart or impetus? It was virtually one-way in the first half, with Beattie, Woods, Wark and Mills giving Corrigan a most exacting examin... When, early in the second, ... bent low to head close ... Hartford's free-kick it s... that the storm might be ... the initiative wrested.

Belated justice was done ... 54 minutes. Mills sp... another tantalising ball in... City penalty area. Wh... responded more *sharply* ... Power, with the bounce f... ing him, to swerve a lowis... inside the left post.

If not as sharp a go... Ipswich should have seiz... sufficed to give them their ... successive win, despite a ... ing moment when T... snapped a brilliant lo... effort in off both posts ... minutes before time. But ... was again offside.

Hartford lost a vendetta ... Talbot (who lost his shirt ... and more and sported as ... bare chest as Brendan Fos... Montreal) and was bo... perhaps unluckily, ten mi... from time. Quite a tiger, T... and burning bright.

Hunter was great. A sho... stopper. So full of flair he ... big excited training! B... Doyle's colleagues respo... more to his perceptive, pu... ful example they could hel... to win a Player of the ... award. BY JAMES FR...

TV/Radio

† Indicates programme in black and white

BBC 1

9.38 a.m. For Schools, Colleges. 10.45 You And Me. 11.00 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Chigley. 2.01 For Schools, Colleges. 3.53 Regional News (except London). 3.55 Play School. 4.20 Deputy Dawg. 4.25 Jackanory. 4.40 Blue Peter. 5.05 John Craven's Newsround. 5.15 Potter's Picture Palace.

5.40 News.
5.55 Nationwide.
6.55 Some Mothers Do 'Ave 'Em.
7.20 Angels.
8.10 *Panorama with the Prime* Minister.
9.00 News.
9.25 The Monday Film: "The Naked Prey," starring Cornel Wilde.
11.00 To-night including News Headlines and The Kennedy Interview.
11.35 Opening Night at the National: Opening of the new National Theatre on the South Bank by the Queen.
11.55 Weather/Regional News.

All Regions as BBC-1 except at the following times:—

Wales—1.45-2.00 p.m. Pili Pala. 2.18-2.38 For Schools: Let's Look At Wales. 5.55 Wales To-day. 6.55-7.20 Heddiw. 9.25-11.00 Swansea Festival of Music (simultaneous with Radio 4 Wales). 11.55 News and Weather for Wales.

Scotland—5.55-6.55 p.m. Reporting Scotland. 11.00-11.35 Public Account. 11.55 News and Weather for Scotland.

Northern Ireland—3.53-3.55 p.m. Northern Ireland News. 5.55-6.55 Scene Around Six. 11.55 News and Weather for Northern Ireland.

England—5.55-6.55 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South-West (from Plymouth).

BBC 2

11.00 a.m. Play School.
2.30 p.m. Worktalk.
3.00 The Caterers.
3.30 Politics Now.
7.00 News on 2 Headlines with sub-titles for the hard-of-hearing.
7.05 Knitting Fashion.
7.30 Newsday.
8.10 The Morecambe and Wise Show.
9.00 I, Claudius.
9.50 Horizon.
10.40 One More Time!
11.10 Late News on 2.
11.20-11.25 Closedown: Cyril Cusack reads "Dolphins," by Bryn Griffiths.

LONDON

9.30 a.m. Schools Programmes. 12.00 Chorlton and the Wheelies. 12.10 p.m. Hickory House. 12.30 A Place In Europe: England: Goodwood House. 1.00 News and Weather plus FT index. *1.20 Lunch-time To-day.* 1.30 The Cedar Tree. 2.00 Good Afternoon. 2.25 Monday Matinee: "Manfish," starring Lon Chaney Jr. 3.50 Emmerdale Farm. 4.20 Clapperboard. 4.45 Nobody's House. 5.15 Batman.

5.45 News.
6.00 To-day.
6.45 Opportunity Knocks!
7.30 Coronation Street.
8.00 George and Mildred.
8.30 World in Action.
9.00 The Sweeney.
10.00 News.
10.30 Sez Les.
11.00 Musical Triangles.
11.30 The Streets of San Francisco.
12.25 a.m. Close: Sandra Freeman reads a poem by Wordsworth.

All ITV Regions as London except at the following times:—

ANGLIA

10.37 a.m. Survival. 12.30 p.m. Meet Marie Gordon-Price. 1.25 Anglia News. 2.00 Houseparty. 2.25 Monday Matinee: "Playmates" starring Connie Stevens. 5.15 Supersonic. 6.00 About Anglia. 10.30 Lifestyle. 11.00 Mystery Movie: Banacek. 12.20 a.m. Reflection.

ATV MIDLANDS

12.30 p.m. The Amazing World of Kreskin. 1.20 ATV Newsdesk. 2.25 Mystery Movie: Columbo. 5.15 Supersonic. 6.00 ATV Today. 10.30 Platform For Today: Citizen's Rights. 11.15 Police Story. 12.10 a.m. Richard Rumer.

BORDER

12.30 p.m. Farmhouse Kitchen. †1.20 Border News. 2.00 Houseparty. †2.25 Monday Matinee: "The Straw Man" starring Dermot Walsh. 3.45 Cartoon Time. 5.15 Supersonic. 6.00 Border News and Lookaround. 6.15 Garnock Way. 8.00 Lucky Feller. 10.30 Border Month. 11.15 The Protectors. †11.45 Border News Summary.

CHANNEL

†1.20 p.m. Channel Lunchtime News and What's On Where. 2.25 Mystery Movie: Banacek. 5.15 Supersonic. †6.00 Channel News. †6.10 The Beachcombers. 10.28 Walking Westwards: Lundy. 11.00 Police Woman. †11.55 Channel Gazette followed by News and Weather in French.

GRAMPIAN

12.30 p.m. Galloping Gourmet. 1.20 Grampian News Headlines. 2.25 Supersonic...

GRANADA

HTV

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

WESTWARD

YORKSHIRE

RADIO 1 247m

(S) Stereophonic broadcast

RADIO 2 1,500m and VHF

RADIO 4 434m, 330m, 285m and VHF

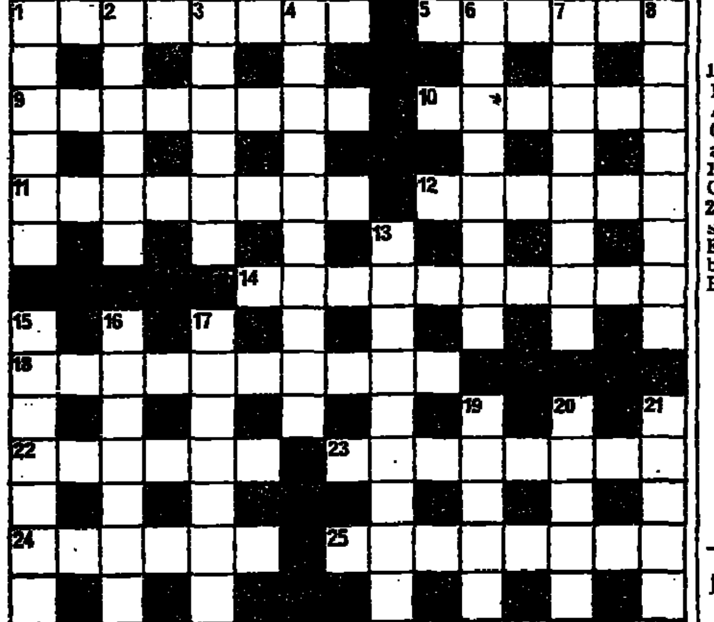
RADIO 3 464m, Stereo & VHF

BBC Radio London 206m and 94.9 VHF

London Broadcasting 261m and 97.3 VHF

Capital Radio 194m and 95.8 VHF

F.T. CROSSWORD PUZZLE No. 3,217



ACROSS

1 Drop of water could be an eyesore (8)
5 Successful move by the French man and wife (6)
9 Eternal conclusion at Lake Success (8)
10 Wire papers for principal (6)
11 Article inside gives away radiation (4, 4)
12 Jointed with German revolutionary (6)
14 Fool about to take Billy's part. . . (3, 3, 4)
18 . . . during rehearsal actually (2, 8)
22 25 has your old-fashioned material (6)
23 Kiss very large copper well into the night (8)
24 Approve of notice on motorway about. . . (6)
25 . . . weekly auditor (8)
26 Better man taking Pole on river (6)
27 Wife made speech a long time ago in Amsterdam (3, 5)

DOWN

1 Golly—see what happens when you use your loaf (6)
2 Attempt to have a meal within agreement (6)
3 Jury recommendations concerning show jumpers (6)
4 Tin-pot typical northerners (5, 5)
6 Ought this paper to take ages frequently? (8)
7 He goes round pressing his customers (5, 3)
8 Appointment divisible into two on same day (4, 4)
13 Flowers to cultivate without moving (5, 5)
15 Explosive mixture dismissed by a member (4, 4)
16 Do without having husband in reserve (5, 3)
17 Charger who rears in some other way (3, 5)
19 Objected to the way person made to 14 charged (6)
20 Horse upset after paying expenses to bird (6)
21 Daughter goes to ground during shortage (6)

The solution of last Saturday's prize puzzle will be published with names of winners next Saturday

t Garden

Macbeth

by MAX LOPPERT

H is an uneven, exciting opera. Ande 's present Royal Opera judge by Thursday's performance, aims at the unevennesses by the dramatic temperasistent—that is, conlow, with few peaks er excitements. The as, in short, as boring th such certain singing ng could be.

, the more difficult but the more rewarding vo principal roles, is to the firm, wellaritone and the tall, ire of Sherrill Milnes. g to explain his almost failure to make any dramatic impact, one ince as cause the way seemed most of the be addressed to the it best, to the edge of stra pit, never once the audience in the

Entertainment is on Page 30

otency of his persona- the way Mr. Milnes often to confuse busy oeuvres—he contrived al of staggers, clutchneatly managed falls ing.

inally, and most ly, the want of variety ir in Mr. Milnes' singe voice apparently at only two levels of low and high, which necessarily synonymous and loud; but hardly ed. So often throughevening one had the e of a lesson diligently ully learn-d, without dentification, that by of "Pietà rispetto, nd a line of greater ss, it was hard to reest in the performance, when the aria was crowned with a hard, hideous high A flat. Mr. Milnes inserted the 1847 closing aria into the final scene, without persuading one that it was worth doing.

As his lady, Grace Bumbry, made the more immediate and more definite impression—handsome feline and striking, using the particular opulence of her lower voice to certain purpose. But it was also, if to a lesser extent, a characterisation dwelling mainly on externals, on triumphant arm-lifts and powerful high climaxes, rather than on the long, tautly fiery phrases, each word filled with musical and dramatic significance, of the subtlest Lady Macbeths. In a voluptuously coo "La luce langue," Miss Bumbry was at her best; but her contributions to the Banquet and her Sleepwalking Scene touched no deeper than an exciting voice confidently employed will always do.

There were a musical, sensitive, not yet very grand Bancquo in Robert Lloyd, a vocally untidy Macduff in Franco Tagliavini, and smaller performances of worth from David Hillman and Milla Andrew. Edward Downes, who took over the revival at a fairly late stage, piloted the performance with his usual competence, but with something less than his finest Verdian understanding. In those brooding, major-key melodic expansions at key points in the opera — Macbeth's "Come angeli d'ira," and the whole of the Act 2 ensemble from "Sangue a me" —he tended to bustle the music along, without room for both the darkness and the contrasting brilliance to register. Despite a lighting plot gloomy almost without interruption, the 1960 Wahkevitch sets still present an imposing façade; but one so far under-filled. The chorus was in good form; the ballets in the Witches' scenes need urgent attention.

Grace Bumbry as Lady Macbeth

Broadway in Hamburg

RONALD HOLLOWAY

obably only a friendly is season—but, all the Bicentennial, Broad- Boulevard have cap- imagination of the beatre public. There ne when the musical ward were confined to te theatre; the subsies steered clear of the general principles of . That day has passed amburg scene is any both Kurt Weill's ocker Holiday, the comedy written in tion with Maxwell and Claire Boothe's nen (Frauen in New ave gotten the season flying start; or, as is accustomed to say:

Knickerbocker Holi- the Theater in der e (tik) annex of the eater is good fun and its late recognition, it me, due to the simi- bears to his earlier experiments with Brecht. The story of York, rather New m, has a Mack the d Threepenny Opera ss to it that was cer- ot unintentional: not lyrics carried over in form, but the mock scene at the end re- act.

Baumann's production rkshop antiquity about start to finish, a days" design (Kathrin o add more flair and the play's amusing around" antics. There vo or three lovely songs iber-Song" is one of Weill wrote for Broad- marks an American as composer), a thumping one-liners in h of a double-dealing. city councilman (the Bean-Tammany Hall), and the rousing lances that make all comedies worth the just good, but great.

bocker Holiday is Washington Irving's 4 of New York (by Knickerbocker, a m) and was perhaps fruitful collaboration s short-lived American t brought him fame at its 1938 première. Anderson were working another early American Mark Twain's Huckle- nn, when he died in the age of 50.) This ture of New York and settlers "battling" ians has long been cherished in German letters geared to boyhood adventures: the tik audience loved the shoot-'em-up scene and Richard Münch as Pieter Stuyvesant led an able cast in one of the loosest ensemble performances dared in a house of polite manners. (For those who have "rediscovered" Weill, *Lady in the Dark* in a Karl Vibach production at the nearby Lübeck Schauspielhaus was the inside tip at intermission.)

Rainer Werner Fassbinder directed *The Women* at the Deutsches Schauspielhaus, a far cry from his "anti-theatre" credo in Munich almost a decade ago and some indication that the reform movement that charged German theatre into the present decade has now completely petered out. The play is a sell-out, much to the surprise and dismay of the critical theatregoer, but the weakness for just plain fun on the stage can be indulged in this case. It's so rare that one has the chance to see so many quite talented ladies on stage at one time—German dramatists are notoriously anti-women's lib—so, why not? Set design (Rolf Glittenberg) from an M-G-M *Thin Man* movie of the 1930s and a collection of Edward Hopper paintings of women in lonely city settings (that's still a riddle) in the programme, without text, hint at a coming mode.

Broadway in Hamburg. Two delightful evenings and a pleasant week-end. Yet something integral and essential was missing. Perhaps the timing.

Covent Garden/Sadler's Wells

Ashton Ballets

by CLEMENT CRISP

Programmes at the week-end by both halves of our national ballet were devoted to Sir Frederick Ashton, founder of our choreographic fortunes. On Friday night in Rosebery Avenue, the Wells company regained possession of *The Two Pigeons*, and preceded it with *Les Rendezvous*; on the following evening at the Opera House we saw *The Dream*, *Monotones* and *A Month in the Country*. Like many ballet-goers I count my viewing of most of these works by the score, yet the felicities of image and step, the unerring rightness of Ashton's response to music (a quality clear even in the *Rendezvous* of 1933), never fail to delight. Grown out of the music, the dances flourish over the years, and like plants, are sustained and nourished by the score in which they are rooted.

On Friday, despite a brisk and brusque orchestral account of *Rendezvous* which had the dancers scampering, and trimmed the pretty cadences of the dance phrases, Ashton's skill in setting out the movement made his cast look youthfully charming. What is needed is a greater sense of nuance in the leading roles, which remain portraits of Markova and Idzikovski who created them.

The diamond sparkle of Markova's technique, her exquisite ports de bras, are recalled at every moment in the leading girl's dances, and although Marion Tait is fetching in the part, she could with advantage be coached in these matters of finesse, in which the true flavour of the choreography resides.

The Two Pigeons suits the present ensemble as it suited the one-time Touring Company. It is a young ballet, and the eager enthusiasm of the Wells Royal Ballet makes a great deal of the ardours and deceptions of first love. Margaret Barbieri is adorable as the young girl — she manages exactly the balance between comedy and sentiment —and she looks irresistible. Brenda Last is the gypsy, all dash and flaunted fringing, and the first act contest for the attentions of the Young Man (Carl Myers, a credible and natural hero) has rarely had such spitfire energy. The studio scenes look well on the small stage; Act 2, insensitively lit, is rather crowded, and the swirl of Dupont's marvellous skirts and wild Romany temperament cannot make their full effect. But the piece is happily returned to a company who benefits from its admirably judged choreography as the dances gain from the dancers' brightness of presence.

At the Opera House *The Dream* was properly magical. Anthony Dowell continues to deepen Oberon's character — the mixture of amusement, greed and slightly malicious pleasure when he accepts the Indian changeling is very fine — and he dances with magisterial ease, matched by Wayne Sleep as a prodigious Puck. Both artists also appeared in *A Month in the Country*, moving with the same superlative technical control, but Ashton's dances here are fed by much stronger emotions and the challenges and rewards for the interpreters are greater. Mr. Sleep's Kolya is an entirely convincing boy; his solos, daring and brilliant in physical shape, make full dramatic use of his virtuosity. Belyayev's character is drawn to show how Mr. Dowell's acting abilities now match his mature physical prowess (the difference between the 1964 Oberon and the 1976 Belyayev very illuminating of his artistic development). His most remarkable moment, as rewarding as his account of the choreography, comes when he sits in a chair contemplating the emotional turmoil that surrounds him: here Mr. Dowell dominates the role with absolute simplicity.

But the ballet ultimately depends upon Lynn Seymour as Natalya Petrovna, and her performance is uniquely fine. In this high summer of her gifts she offers us dancing wherein beauty of expression is matched by beauty of style. In *L'Am et la Danse* Valéry describes a dancer who "walks with ease on the summit she has reached" and with Miss Seymour to-day we see an artist whose authority over her roles is absolute. She tells us everything about Natalya Petrovna as Ashton has conceived her. The capricious, adored creature is entirely real. The lovely fantasy of her gestures, the fluent grace of her dancing, the sudden terrible moment when jealousy and ungovernable temper distort her beauty, reveal an actress of something very like genius. The company playing in this ballet, as in *The Dream*, is team-work at its best, with not a false accent or a foot put wrong.

And separating these two dramatic pieces, the ordered calm of the *Monotones* trios, ideally danced (Connor/Jenner/Coleman and Derman/Kelly/Drew). The *Trois Gnossiennes* seem antique, mysterious, Etruscan; the *Trois Gymnopédies*, are serene, otherworldly, a lunar rite. Both are jewels.

Contemporary Music Series at the ICA

Every Sunday until December 19 there is a Contemporary Music Series concert at the ICA in The Mall. Last night's concert featured the work of Christopher Hobbs and John White. Next Sunday four other experimental composers will present their works — Michael Parsons and Howard Skempton, Dave Smith and John Lewis.

The six musicians have been active as composer-performers of experimental music since the days of the Scratch Orchestra, of which Skempton and Parsons were co-founders with Cornelius Cardew in 1969.

Skempton and Parsons have worked together as a duo since 1974, and like Hobbs and White they have been closely associated with exhibitions of visual work by the Systems group of artists. Smith and Lewis formed a keyboard duo in 1975 to play music by Terry Riley and Philip Glass as well as their own compositions. These four musicians are now working together, and in this concert they will present new works for percussion, accordion, horns and electric organs.

These two concerts are presented by Music Now and the ICA with financial assistance from the Arts Council.

Next Sunday's concert starts at 6 p.m. but will have an interval from 7.15-8 p.m.

Belgrade Theatre Festival

by MICHAEL COVENEY

The best theatre festival I know, the Belgrade International Theatre Festival, celebrated its tenth anniversary last month with a programme truly representative of the state of world theatre. Probably the most eagerly awaited troupe was the Na Taganke from Moscow, on their first trip outside Russia (with the exception of a brief visit to Bulgaria) since their foundation on the quatercentenary of Shakespeare's birthday, April 23, 1964. Their opening production, which is still in the repertory, was Brecht's *The Good Woman of Setzuan*, but their three shows for Belgrade were *Hamlet*, *Here The Dawns Are Quiet*, a tale of the Second World War, and an adaptation of John Reed's *Ten Days That Shook The World*.

Na Taganke were presented in the Atelije 212, the headquarters of the festival and, for the rest of the year, a homelier, smaller version of our Royal Court. Although there is a place for Serbian drama both in the festival and in the regular repertory, the directors, Mira Trailovic and Jovan Cirilov, have an ear permanently cocked towards noises in the West. Even during the festival, Mr. Cirilov was working on a translation of Howard Brenton's latest play, *Weapons of Happiness*. It is this truly international enthusiasm for the theatre that has been at the root of BITEF's success. Old ties with Britain were honoured when Joint Stock arrived in the second week with the production by William Gaskill and Max Stafford-Clark of *The Speakers*.

There has always been room at BITEF for the laboratory work of Grotowski or Barba, the classical, innovatory work of Krejca or Planchon and the lavish avant-garde of Victor Garcia and Bob Wilson. We see nothing to rival a programme like that in this country and, although the steam has undeniably gone out of the festival movement that sprang up in the late '60s, if anything really sensational or exciting is produced in Europe within the next 12 months you can lay your money now that you will be able to see it within the next three years in Belgrade.

The Na Taganke's *Hamlet* is about six years old. The stage is dominated by a huge arras that, in the very first scene, moves strikingly about the stage in time with the voice of the Ghost. It steamrollers the members of the Watch and then heaves into a centre stage position for the court scene. Some commentators read into all this some heavy symbolism: the characters in the play were either on the right side or wrong side of "the wall." I am not convinced about that, but the thing never stopped moving, usually to the accompaniment of some crashing recorded music of the sort used in Eisenstein's films. Hamlet was given an exciting reading by V. Visotsky, by turns sullen and impetuous, rapping out his lines at great speed and often with arresting vitriol.

An even older stalwart of the Na Taganke repertory is their version of the vivid account of the Bolshevik revolution. Hero Lenin was much in evidence in the form of huge photographs and a recorded voice. The show used all sorts of clever techniques of shadow theatre, staging based on the old agitprop posters, the circus and revolutionary songs. It was touching in its naive respect for *part* of history, so no one could have expected Trotsky to figure. But it was typical of the show's mentality that the discredited old Socialist leader Kerensky should be portrayed (in a virtuoso piece of comic acting by Visotsky) as a lecherous old clown. *Ten Days That Shook The World* is thus reduced to a red revue and, in all honesty, it is not very well done. On entering the Atelije we had red ribbons pinned on our lapels and the evening ended with the showering of the auditorium with propagandist pamphlets.

The third show (all three are directed by the theatre's founder, Yuri Lyubimov) was, unlike the other two, not even controversial. *Here The Dawns Are Quiet* proved to be a chauvinistic tear-jerker about a Russian female patrol coming to grief in the Second World War. One by one the girls meet a grisly end and each is commemorated in an even more grisly epitaph of flashback to happier days with friends and relatives to the accompaniment of the balalaika.

The Atelije, with its flags and bunting, its trumpet calls before each performance, its Press room open daily in the basement, is the festival centre. Each day a different troupe is unloading scenery and crowding into the upstairs offices to collect information and receive reassurance. Each afternoon, artists and public alike assemble in the large circle bar to discuss the previous night's performance. Then, during a brief adjournment before the next performance, arguments are developed over cups of coffee and glasses of beer in the neighbouring street cafés. Then the festival spreads out to the Opera House, or the National Theatre or even a small museum on the city outskirts.

The museum was the scene of Eugenio Barba's *Come And The Day Will Be Ours*, a title that derives from a remark apocryphally attributed to General Custer on the eve of the massacre at Little Big Horn. Barba has been working for the last ten years at the Odin Theatre in Denmark, defining an approach to theatre through a rejection of all conventional forms of naturalism and stage psychology. The psyche of the actor is his business and he wishes to unleash in the theatre forces and statements that defy any form of rational analysis. It is impossible to say what this show was *about*; I can report, however, that it incorporated some powerful physical images of colonialisation, religious tyranny, therapeutic howling, some frantic violin-playing, garbled Shakespeare and visible signs of emotional distress among the actors. Not one of Barba's best pieces of work, I am assured, but one none the less that uncompromisingly declared an interest in the power of random energy in the theatre. As befits a former disciple of Grotowski, Barba allowed only 70 people into each performance.

Also on the programme: the Mabou Mimes and Bread and Puppet Theatre from New York; Robert Wilson's five-hour uninterrupted "opera," *Einstein On The Beach* (which, alas, I had to miss—when will somebody bring Wilson to England?); a production by Andrej Wajda about Danton which tips the balance in Robespierre's favour; a group from the university of Mexico City performing a morality tale about a whore with a heart of gold; and Garcia's production for the Nuria Espert Company of Calderon's *Divinas Palabras*.

Vaudeville

Out on a Limb

When Graham makes love to the girl in the house on the other side of the mews, he fools his wife by tucking a pair of false legs under his car and setting a tape whistling Sinding's "Rustle of spring" This joke suffices Joyce Rayburn for virtually the whole of the first act, but of course there have to be other people around to see the point. These are Graham's wife Tessa (plus an evanescent mother); Bradley, a neighbour with a purely catalytic function; and Tessa's employer Clifford, who, by an amazing coincidence, also makes love to Graham's spare girl Ellie.

With so many characters on hand and the leg trick exposed, there has to be a plot, or anyway a series of comedy situations, for the second act, and though they can hardly be called novel they kept the first-night house tittering. I must not reveal what the situations are, for it is their unexpectedness that provides the spice in the story, and since there are actually some people who find them unexpected (whereas I, old as I am in the ways of farce, could have predicted each one, though possibly not the order in which they are deployed) I would not like to spoil their fun.

Graham is Ian Carmichael. Tessa is Phyllida Law. Ellie is Julia Lockwood. Clifford is Hugh Paddick. Likeable players all, they give the play the kind of acting, or overacting, it deserves. Miss Law comes off best; James Grout, the director, allows her to break into an apache routine in the middle of the street for no special reason, and she is also accorded a drunk scene and the immortal words "Piss off!" which never fail to gain a round of applause when spoken by a nice actress. She directs her conversation straight at the audience when she is addressing the spare legs behind her.

Well, it takes all sorts to make a world. Graham, for example, always brings the telephone into the street though we have been told that the day is chilly enough for Ellie to put a thick sweater on. He also seems to make love in his socks. I should mention, by the way, that although adultery is a steady motive in the second act, there isn't anything sexually arousing in it; your children could go, and would probably laugh themselves silly.

B. A. YOUNG

Festival Hall

Vivaldi

The immaculate sense of rhythm that distinguishes Riccardo Muti's conducting of Verdi and other 19th-century Italian opera composers was equally appropriate to the all-Vivaldi programme that he directed on Thursday at the Festival Hall with the New Philharmonia strings and Chorus. The Concerto Grosso in A major with which the concert opened benefited particularly from the flexible way in which the conductor allowed quite an amount of rubato, without weakening the pulse or slackening the tension of the music. The rest of the evening was devoted to three of Vivaldi's sacred compositions.

It seemed at first, in the *Gloria* in D (RV 589), that the full strength of the NP Chorus would prove a shade too heavy in texture and in balance with the string body, grounded on four double basses. By the second movement, "Et in terra pax," this fear was already dissipated; it returned briefly in "Domine Fili unigenite," where buoyancy was occasionally lacking, and was dispelled for good and all in the double fugue with which the work ends, which was beautifully light and airy. The soloists, Teresa Berganza and Mira Zakai, combined mellifluously in "Laudamus te," while the former sang the charming "Domine Deus, Rex Caelestis, with oboe obbligato, in rather restrained style.

Miss Zakai, the young Israeli contralto, took a little while to adapt to the hall's acoustic, so her solo contribution to the *Gloria*, "Domine Deus, Agnus Dei," was unremarkable. In the *Stabat Mater* which followed, however, she displayed her vibrant, evenly-produced and warm-toned voice to excellent advantage. The predominantly slow and serious cast of the music suited her well; though adequately flexible, the voice does not move with great natural speed. She phrased "Cujus animam" and "O quam tristis" most beautifully while "Eja, mater" was expressive without undue sentimentality. Muti shaped the string accompaniment with delicacy, responding most sensitively to the singer's line.

For the *Magnificat* in G minor that ended the concert, the two soloists already mentioned were joined by Yvonne Kenny, who sang the florid "Et exultavit" neatly and cleanly. Teresa Berganza found her best vocal form in "Quia respexit" and revelled in the frankly operatic "Quia fecit mihi magna." Mira Zakai surmounted the divisions of "Esurientes" clearly enough, but was happier in the lovely "Sicut locutus est," which was magically accompanied. The chorus produced splendid tone in "Et misericordia" and attacked "Fecit potentiam" with ferocious, if disciplined strength.

ELIZABETH FORBES

Leeds Festival

L'Enfance du Christ

by MAX LOPPERT

For the final choral events, the Leeds Festival uprooted itself from the echoing spaces of the Town Hall to the dryness and clarity of the Grand Theatre. From a seat at the back of the Dress Circle, closeted by the overhanging canopy, it was hard to tell whether Saturday's performance of the Berlioz Sacred Trilogy under Colin Davis was intentionally of extreme chamber-like intimacy; or whether the theatre had slimmed the music down well beyond even its normally fatless condition. Whatever the reason, it was a beautiful performance—not very beautifully sung by the present Festival Chorus, whose weaknesses in matters of ensemble, weight of tone, and confident musicianship are obvious; but played with wonderfully sympathetic likeness by the London Symphony Orchestra and led by a fine team of soloists.

In Berlioz, the diminution of harmonic substance by acoustical processes matters less than in most 19th century music; and in *L'Enfance du Christ*, or at least in this performance of the work, it seemed to matter hardly at all, when the long Berliozian line was being shaped with such concentrated sensitivity and refinement. In the central panel, the music seemed to be whispered in one's ear—an illusion fostered as much by the discreetly tender singing of Robert Tear as the Narrator, as by the luminous orchestral accompaniment. At such points as the punctuating "Hosannas" and "Alleluias" at the end of the first two parts, the failure of the women's voices to strike in at exact pitch and in clear ensemble was a particular annoyance; but the general mood of loving devotion was soon protectively wrapped round the chorus, so that the listener minded its inadequacies in the final prayer less than perhaps he should have.

Josephine Veasey and Thomas Allen, both stilling the natural dramatic authority of their voices in a fine-drawn line magically poised, were the superb Mary and Joseph; and Joseph Rouleau, not always steady at first as Herod, became an Ishmaelite Father of majesterial eloquence and sonorousness. The inaccuracies of translation in the little programme book did his part a special injustice: it was surely not "*from* a heathen that our Redeemer was saved," but "*by* Him."

Empire Pool, Wembley

Wings

by ANTONY THORNCROFT

Paul McCartney must be very happy. Last week's Wings concerts, the climax of an arduous world tour, have lifted his group to an eminence as a performing band well in advance of anything achieved by the Beatles.

Packed crowds and converted critics have raved over a show which miraculously combined superbly produced theatrical effects with the best of mainstream pop. Flares flashed; smoke spiralled; beams bounced; and lights illuminated the stage while Paul McCartney revelled in two hours and more of justification for his ambition and his music. As Wings climaxed with "Band on the Run" the McCartney phenomenon looked as safe and solid as the Beatles phenomenon.

And yet . . . there is something missing and it is probably feeling. One of the best received numbers was "Silly Love Song" and it sums up all of McCartney's strength and weaknesses—a simple melody with predictable variations played by well-tuned professionals but lacking any genuine emotion: the emotion that John Lennon has by the ton and which so often makes his music an embarrassment. Paul McCartney on stage needs more soul, and judging by his still incoherent communication with the audience he seems to know it.

But by his own standards, and those of millions of fans, the Wings concerts were a triumph. For once, a vast auditorium was tamed by an excellent sound system and a band of fine musicians. This tour has improved Wings out of all recognition; even wife Linda merits her place behind the tambourines. This was one of the most entertaining concerts in London for ages.

Paul McCartney dominates Wings. His talent is tremendous, as he moves from piano to acoustic guitar solos, to the final session on bass guitar as Wings draws through old and new material, including a few Beatles songs, while the well-satisfied audience rises in happiness.

It is popular music at its most blatant and effective—songs to keep people happy in hard times. Given this bias you can't really expect much subtlety.

OVERSEAS NEWS

Arab summit expected to endorse Lebanon accord

BY RICHARD JOHNS, MIDDLE EAST EDITOR CAIRO, Oct. 24.

ENDORSEMENT of the outline agreement on a Lebanese settlement reached last week at Riyadh is confidently expected to be given by the full-scale Arab Summit beginning here to-morrow.

Acceptance seems certain to amount to a recognition and legitimisation of Syria's paramount role in the Pan-Arab mediation—not the least because its troops will probably constitute the majority of the joint peace-keeping force which has been provisionally and somewhat problematically set at 30,000 men.

Rubber-stamp approval by leaders of the 21-member Arab League is by no means certain. However, with Libya absent and a relatively low level of Iraq-Algerian representation, the necessary facade of unity should not be too seriously shaken by criticism of the compromise worked out by Egypt, Syria, Lebanon, and the Palestinian Liberation Organisation at the meeting called by Saudi Arabia and Kuwait.

The eighth Arab Summit conference which has been convened specifically to discuss a solution to the Lebanese crisis begins amidst uncertainty over whether the cease-fire generally *in force will collapse because of* continued fighting in the South. But Israeli involvement there will at least give a common basis for "Arab solidarity" — which is the only other item on the agenda.

Foreign Ministers were meeting to-night to prepare for the top-level gathering at which 15 heads of state will be present. Absentees will be President Muammer Khedaffi of Libya, President Bakr or Iraq, King Hassan of Morocco, President Bourguiba of Tunisia, Sultan Qaboos of Oman and President Boumedienne, of Algeria. The turn-out is far better than any one at the Arab League headquarters dared hope for two weeks ago when the chances of the conference (originally scheduled for October 18) being held at all looked slim.

President Bakr, in poor health for some years now, is reported to be sick, but by sending a delegation headed only by its Foreign Minister, Mr. Saadoun Hamadi, rather than Vice-President Siddam Hussein, Iraq has emphasised its displeasure with the Riyadh agreement which is seen on balance as a Syrian victory and a Palestinian defeat. Baghdad has already publicly condemned the accord in the official Press and in radio broadcasts.

It was always assumed that King Hassan of Morocco and President Boumedienne of Algeria could not appear together at the conference because of the dispute over the former Spanish Sahara which has brought their two countries to the brink of war. At the same time President Boumedienne's decision not to take part reflects his regime's disapproval of the Riyadh formula. Last week Revolution Africaine (RA), an official Algerian mouthpiece, said that the Cairo Summit would be "pointless" because *it would be reduced to approving* decisions reached at the restricted summit.

The Summit has been preceded by a flurry of Palestinian diplomatic activity most notably by Mr. Yassir Arafat, Chairman of the PLO, who went to Damascus yesterday before travelling to Tripoli for talks with the Libyan leadership. Here the movement's main supporters apart from the Iraqi delegation will be President Salem Ali Robaya of the People's Democratic Republic of Yemen and President Boumedienne.

Suppression of the guerilla's autonomy in Lebanon is not only a question of principle. In practical terms there are the problems arising from Mr. Arafat's agreement to abide by the Cairo accords of 1969 and their subsequent amendments which restricted the movement's presence to the refugee camps *and the Arkoub district in the* south-east of Lebanon, as well as limiting the scope of operations against Israel.

Right-wing gains in Lebanon

BY IHSAN HIJAZI BEIRUT, Oct. 24.

WITH LEBANESE Right-wing Christians, reportedly backed by the Israelis, having made more military gains in South Lebanon, the issue is expected to be raised at the Arab Summit conference scheduled to open in Cairo to-morrow.

President Elias Sarkis, who left for Cairo by way of Damascus to-day, is carrying a detailed file on the situation in the south which he intends to submit before Arab heads of state as part of a Lebanese plan for solving the 18th-month-old national crisis here.

Commando leader Yassir Arafat was reported to have discussed the matter with Syrian President Hafez al Assad in Damascus yesterday. Mr. Arafat reported back to guerilla leaders here that his talks with President al Assad were "very positive."

There have been repeated violations of the ceasefire here. Last night this Lebanese capital again echoed to the sound of explosions and machine-gun fire as rival combatants fought yet another battle in the devastated business centre and the southern suburbs. Each side blamed the other for the truce violations.

In the south, the ceasefire was not observed at all. More towns were said to have fallen to the Right-wing forces during the past 24 hours. The garrison town of Khyam south-east of Marjeyoun fell without a struggle. The Right-wing forces were mounting pressure on the Moslem Shia town of Bint Jebeil. A Right-wing radio station said the town had fallen already but this was not fully confirmed.

Huge Peking crowds turn out for Hua

BY A SPECIAL CORRESPONDENT PEKING, Oct. 24.

MASS rallies took place to-day in the heart of Peking climaxing four days of noisy demonstrations in support of the moderate leadership of new Party Chairman Hua Kuo-Fung.

An estimated 1m. people participated in a huge rally in Tienanmen Square in the centre of Peking. At around 3 p.m. local time Chairman Hua came on to the rostrum at the Gate of Heavenly Peace and was greeted by the sound of wildly beating drums and furious clapping from the enormous crowd.

He was flanked by Li Hsien-nien, still officially Vice-Premier though fulfilling the public functions of Prime Minister, and the *full Politburo membership of the* party, minus the four purged "radical" members.

A month ago, on September 18, the four had played prominent roles with Hua in another 1m.-strong rally in memory of Chairman Mao. Hua on that occasion was flanked by Wang Hung-wen, once first party vice-chairman, who chaired the rally. Chang Chun, Chiang Ching, in widowed black, and Yao Wen-yuan. These four are now under arrest, though officials have declined to comment on their whereabouts.

The rally, called to celebrate Hua's elevation to the party chairmanship and the leadership of the Military Affairs Commission—he wore military uniform for the occasion—also celebrated the crushing of the "plot to usurp the party leadership."

Hua did not make a speech as expected, but the four disgraced "radicals" were denounced by *a succession of speakers.*

In the main speech, Wu Teh, mayor of Peking told the crowd that Chairman Mao himself had selected Hua as his successor. He had written personally to Hua after his appointment as Premier: "With you in charge, I am at ease."

In a violent attack on the four "radicals," a People's Liberation Army "hero" told the rally that the decision to smash the gang had been taken by Mao while he was still alive.

The ceremony, televised live, was barred to foreign diplomats in Peking but the resident Press *corps was allowed to attend.* China has booked satellite time for to-morrow night to relay film of the rally around the world.

Sydney Morning Herald

Bonn to see big payments surplus for September

By Nicholas Colchester

BONN, Oct. 24.

THE WEST GERMAN trade balance for September will show a surplus of no less than DM4.8bn., almost double its level in recent months, according to reliable sources in Bonn.

Government officials are said to be nervous of the effect that this result could have in the currency markets when it is officially announced.

The surplus compares with one of DM1.2bn. in August and DM2.6bn. in July.

The export and import trends that have led to this increased balance have not yet been published, but they are believed to show that German export sales *continued* their upward march in September

Already the West German mark has been increased in value by about 12 per cent. vis-à-vis the rest of the world in the course of 1976. A week ago, the Deutschmark was revalued within the European "currency snake" by *an average of about* 3 per cent.

Despite the considerable implied increase in the price of German goods across the world, German industry's success abroad seems to go from strength to strength. This is presumably because of German salesmanship and because price is one of the customers' last considerations in choosing the type of capital goods that German industry exports.

Bonn officials can only shrug helplessly as they watch Germany's overseas sales continue to boom, when British exports, despite the competitive advantage bestowed on them by a tumbling pound, have actually fallen in real terms in recent months.

India assembly demand fails

INDIA'S Prime Minister Mrs. Gandhi has rejected demands for a constituent assembly to formulate a new constitution, K. K. Sharma reports from New Delhi. She told the Congress Parliamentary party yesterday that Parliament has full powers to amend the existing constitution. It means that the 59-clause Constitution Amendment Bill is certain to be passed to-day.

Feature, Page 11.

Polisario attack

The Polisario Front in Algiers claims *to have* inflicted severe losses on Moroccan forces in attacks on Amgala and El Aioun in the Western Sahara, Eirene Furness writes.

Transkei expulsions

Two Black South African actors *have been released from detention* and expelled from South Africa's Transkei tribal homeland the day before it becomes independent, PUI reports from Umtata.

The actors, John Kani and Winston Ntshona, were arrested after a performance of their *play "Sizwe Banzi is dead"* which Justice Minister George Matanzima said was "inflammatory."

Feature Page 14

Soviets to recover from grain disaste

BY DAVID SATTER MOSCOW, C

FIGURES just released for grain production in the largest Soviet republic indicate that the Soviet Union is rebounding from last year's agriculture disaster and is heading towards *one of* the largest grain harvests in its history.

The Communist Party newspaper Pravda to-day reported that the Russian Federation will sell a record 52.227m. tons of grain to the State this year, an increase of 41,000 tons over the 52.186m. tons the republic sold to the State in 1973, when the Soviet Union had its largest grain harvest.

The announcement for the Russian Federation follows the news that the Kazakhstan Republic this year will also sell a record amount of grain to the State. Kazakhstan this year will sell 18.350m. tons, an increase of 1.629m. tons over the Republic's previous record of 16.858m. tons sold to the State in 1973.

The Russian Federation and Kazakhstan are two of the Soviet Union's three principal grain-producing republics and account for well over half of the Soviet Union's total grain production. The third principal grain-producing republic, the Ukraine, is reported to be having a very good harvest, but final figures are not yet in.

The figure for grain sales to the State in the Soviet Union indicate the amount of grain each republic was able after accounting for needs.

In past years, Russian tion grain sales to th have come between 20 per cent. of the total Sov harvest. By this meas Soviets appear to be hea a harvest of well in e 200m. tons.

The planned target grain production is 20 but American ag officials who monitor th grain harvest closely h revising their forecast and are now predicting harvest will be at lea tons. In 1973, the reco harvest was 222.5m. tons

The Soviet central board to-day followed encouraging harvest fig the publication of indus put statistics for the months of 1976, whi Soviet industrial produc tinuing to expand at a fa than that called for in

The figures show th trial output rose 4.8 during the first nine m 1976, compared with a target of 4.3 per cent. c in the plan. The rate trial growth for the ni period was down sligh ever, from the 5 per cen increase recorded during six months of the year.

Lira move attacked

BY DOMINICK J. COYLE ROME, Oct. 24.

THE DECISION by Italy's minority Christian Democrat Government effectively to devalue the lira by a further 7 per cent., while still subject to formal approval by the EEC monetary committee, will in fact come into operation on foreign exchange markets to-morrow.

This crisis measure should bring the current rate against the U.S. dollar this week roughly *into line with last week-end's* forward market, when the lira was being quoted at 930 for six months' delivery. The spot rate at Friday's Milan fixing was marginally above 868.

Criticism of the Government's latest measure, a 7 per cent. surcharge on foreign exchange transactions, which is scheduled to last until mid-February of next year, is not directed exclusively against the surcharge as such.

However, the Government has *come under severe attack for* "gross mismanagement" in having first lifted the original 10 per cent. foreign currency surcharge on schedule after two weeks, then spending at least $500m. of Italy's usable reserves, and finally reimposing a surcharge.

Sig. Guido Carli, former Governor of the Bank of Italy and current president of Confindustria, the national employers' organisation, has attacked the latest move as being yet another penalty on Italian production costs at a time when industry here needs to be more competitive internationally.

EEC farm policy crucial to Britain

BY ROBIN REEVES BRUSSELS, O

COMMON MARKET discussions could be of crucial importance to Britain's anti-inflation strategy taking place in Luxembourg this week. Finance and Agriculture Ministers of the Nine are meeting to review the whole philosophy and workings of the common agricultural policies—presently providing windfall subsidies on U.K. imports worth *some £1.5m. a day.*

On the table will be the Brussels Commission's plan, announced last week, for the gradual but automatic adjustment of green currencies in line with market exchange rates. Green currencies are the artificially-fixed exchange rates used to convert common *EEC farm* prices into national farm price guarantees.

The Commission has proposed that, as from next January, the windfall benefit of the arrangement to consumers in EEC food importing countries like Britain, with falling currencies, will be limited to a maximum period of two years; and that there also be a fixed ceiling on the gap allowed between the green rate and the market rate. This is in order to limit the import subsidy bill to the Brussels farm budget.

Mr. John Silkin, the U.K. Minister of Agriculture, has already made it abundantly clear he will not be agreeing to any Green pound devaluation at this week's meeting; though the Commission's proposal for a modest 4.5 per cent. adjustment to trim the level of EEC subsidies on U.K. food imports fr present 37 per cent *remains on the table.*

More important for th term, however, Mr. Sil his Treasury colleague, Barnett, will be out general Common Mar proval of the Governmen that any decision to adju currency rates must res *in the hands of national* ments—whatever the cos Community budget in th time. The Commission envisages more power i ing the level of Gree being handed over in Br

Inevitably, endorsemen British view is likely t very much on the atti the West Germans. Gi concern which West Chancellor Helmut Schm expressed for Britain's ec plight, the Government viously hoping for stro port from Bonn effectivel the Commission's au adjustment plan. But gi German Government's pre-occupation with the the European farm policy hearted German backing be taken for granted.

The Nine's Agricultura ters are also due to spend deal of time debating th mission's controversial pl promoting equilibrium EEC dairy market, so as to an end the perpetual C Market surpluses of but skim milk powder. concrete decisions are c at this meeting.

Solar energy criticised

BY DAVID FISHLOCK, SCIENCE EDITOR

THE U.S. Government scientist responsible for the world's biggest solar energy research and development programme, totalling about £100m. this year, has strongly criticised two of its main targets as unrealistic and inherently incapable of delivering energy competitively.

In a letter to the General Advisory Committee of the Energy Research and Development Administration (ERDA), Dr. Robert Hirsch, in charge of solar, geothermal and advanced *energy systems, asked the Committee* to make its own assessment of the value of solar energy and to lay the facts before Congress and the public.

Dr. Hirsch's outspokenness could be politically embarrassing because of the hopes that have been held out by many politicians opposed to nuclear energy —not only in the U.S.—for solar energy as an alternative. The *scale of the U.S. solar programme* has been widely cited as evidence of the confidence of the U.S. Government in solar energy.

The goal of ERDA's solar concentrator programme—in which large arrays of sun-following mirrors are used to focus the sun's rays on to a solar boiler—*is to produce a system costing* about $1,000 per kilowatt of electricity. This implies reducing present costs by a factor of between 25 and 100.

Carter has edge in final debate

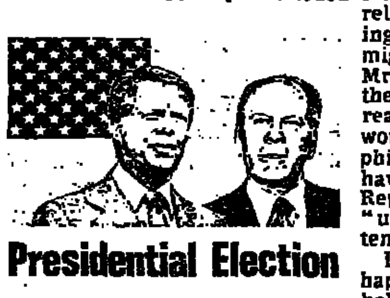
BY DAVID BELL WASHINGTON, Oct. 24.

THE THIRD and last U.S. Presidential debate on Friday night has got much better reviews than the first two, with a majority of the polls once again giving the edge to Mr. Carter, but with neither candidate having said anything that is likely to dog him in the final days of the campaign.

Although two out of the three major polls, and most of the minor ones so far taken, give Mr. Carter a clear "victory," all three suggested that few minds had been either changed or made up by the 90-minute televised confrontation which was watched by an estimated 80m. viewers. But by the end the contrasts between the two candidates was clear, perhaps clearer than *it has been so far in this long* contest.

Both men tried to stick firmly in the middle ground. Mr. Ford cast himself as the candidate of the status quo. He sought to show himself as an experienced, able President who had calmed a troubled America, kept it at *peace, improved the economy and* would not be a risk in the next four years. He closed with the hope that Americans would say on November 2: "You've done a good job, Gerry. Keep on doing it."

Mr. Carter readily conceded



Presidential Election

that Mr. Ford was a "good and decent man," but repeatedly insisted that the President's record was not good enough. It was, he said, one of indecision, inaction and indifference, particularly on the economy and on civil rights. In his final remarks the Democratic candidate noted that Mr. Ford had now been in office almost as long as the late President Kennedy. "But what has he accomplished?" he asked.

If Mr. Ford was more at *ease* than last time it was perhaps Mr. Carter who gained the most from the debate. He, too, was relaxed and effective in conveying a sense that the country might be capable of more than Mr. Ford was asking of it. In the process he may greatly have reassured voters, who were worried about his political philosophy and he may possibly have undercut the concerted Republican attempt to make his "unstable, fuzzy and inconsistent" character the issue.

In this, if that is what did happen, Mr. Carter was greatly helped by the questions. The *panel of journalists was much* tougher than before and repeatedly put Mr. Ford in the position of having to defend his record.

It may well be that in this debate it will be the questions that will be remembered long after the answers have been forgotten.

Franco-Soviet chil

BY DAVID CURRY PARIS, C

THE CHILL in official Franco-Soviet relations now appears to have spread to the French Communist Party's dealings with Moscow. This follows the participation last week of a member of the French Communist Central Committee, M. Pierre Juquin, in a rally in Paris to protest against imprisonment for political beliefs.

Although M. Juquin made it clear that repression in Latin America was his main concern, the French Communists went along with condemnation of Soviet treatment of dissident intellectuals.

The Soviet Union reacted sharply with the news agency, Tass, condemning the French party for participation in "a dirty undertaking" as part of "a provocative mob."

This prompted the French Communist newspaper Humanite to read the USSR an uncharacteristically blunt lecture on how freedom was an essential condition for the establishn socialism.

The public row with is unlikely to be who welcome to the Frencl which is trying to live d reputation for Stalinism opted to portray itsel kindred spirit to the Communists in willing play by the democratic

Since the conservative in France will fight tl elections on the claim Communists who have a joint programme wi Socialists cannot be tes that the union of the too dangerous an anima allowed to govern, it is for the Communists to l opportunity to emphasis separateness from the line.

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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● MATERIALS

Diamond cutter for non-ferrous metal

HARD ON the heels of the announcement of the CDA mosaic synthetic diamond built up by De Beers Industrial Diamond Division to meet the challenge of the bonded carbide materials comes a new synthetic called Syndite.

This is a diamond material produced in the form of a densely interwoven mass of randomly orientated diamond particles, therefore isotropic as compared with the mosaic formation of the CDA which provides controlled breaking of edges so that the cutter continuously provides fresh, sharp teeth to the material.

Mounted in a tungsten carbide support, Syndite is ideal for use in cutting tools, dressers, wear parts, diamond drawing dies and rotary drill bits.

Under certain conditions, this type of tooling can outperform pure diamond in single crystal form.

One test carried out at the De Beers centre at Sunninghill compared operation with Syndite against operation with single diamond on aluminium silicon material with 18 per cent. silicon content.

The two have similar economic cutting rates so that Syndite is already an effective substitute for diamond. But it also has superior shock resistance under interrupted cutting conditions.

The tungsten carbide substrate provides rupture strength of 250 kg per square mm. combined with a Young's modulus of 50,000 kg/sq. mm. which permits interrupted cutting at very high speeds of practically any non-ferrous workpiece

More from the company at Charters, Sunninghill, Berks. 0990 23456.

Shows water permeation

ACCURATE measurement of the ingress of water vapour through film samples or complete packages can be carried out with an instrument developed in Switzerland by Dr. Georges Lyssy and available in the U.K. from Richard R. Leader, Fordwater Trading Estate, Chertsey, Surrey (Chertsey 62766).

Designed for the food, drink, chemical and packaging industries, the unit can test up to six samples at a time: the results are recorded on a six channel potentiometric recorder.

The foil or film is placed in a test cell as a separation between a space of saturated atmosphere and a previously dried space of known dimensions containing a moisture sensor. The increase of relative humidity as a function of time is continuously monitored.

Whole packages are put into a chamber in which the atmosphere is either moist or dry according to whether ingress or egress of moisture from the package is to be measured. Again, a sensor detects changes of relative humidity, outside the package.

Low foam use in Britain

MAIN message transmitted at a recent London trade presentation on expanded polystyrene by BASF was that U.K. usage was not as high as it might be.

Figures produced by the company for *per capita* consumption in kilograms are: West Germany 1.82, France 0.76, Italy 0.43, and the U.K. a mere 0.27. Finland exhibits a remarkable 2.34 kg per head.

The figures are partially a reflection of climate (much of the usage is in building construction) but attitudes to housing standards and expenditure are also different according to U.K. managing director Walter Maack, who added that "many Germans expect to die in the house they build in early middle age: in Britain people seem to be more mobile."

In any event BASF seems determined to improve its claimed one third share of the U.K. market although it is having to do so in the face of an increasingly adverse mark/sterling exchange rate. All the product is made in Germany and the 600 strong U.K. workforce is employed in sales and distribution.

Costs less than foil laminations

ONE OF the first frozen food companies in the U.K. to flow-wrap its products in a Metathene M film lamination is Jus-Rol, of Berwick-upon-Tweed, which makes puff and short crust pastry.

This company had used an aluminium foil lamination but was looking for a more economic alternative which still retained the foil image. Using the new film, and gravure printing with metallic inks, is stated to have met both criteria.

Developed and made at Metal Box's Portsmouth factory, Metathene M is a lamination of polyester, claimed to be particularly suited to deep freeze applications. In addition to a reduction in material costs, Jus-Rol has gained further savings through increased efficiency and reduced wastage on the packing machines.

Both the 7½ and 13 oz. packs are gravure printed in full colour and this is believed to be the first time that metallic inks have been used in such a lamination to enhance the design.

Details from Metal Box, Queens House, Forbury Road, Reading RG1 3JH (0734 581177).

New kind of wall covering

STRIKING out in competition with the wallpaper and paint manufacturers is Sterling Roncraft, part of the £60m. Sterling Winthrop Group, itself a subsidiary of Sterling Drugs of the U.S.

Product is called Fibron. Aimed at the do-it-yourself market, it will be sold in 11 x 5 inch diameter drums at £5.30, sufficient to cover an area of 20 square feet of wall.

Drum contains variably dyed short, fine nylon fibres and a packet of adhesive. The contents are mixed with water to form a paste which is applied to the wall with a plasterer's trowel or a similar plastic tool supplied by the company. When dried out—in about 48 hours—the finished appearance is somewhere between a tweedy fabric and cork.

Apart from being something completely different, the finish has the advantage of filling cracks easily and offering a small degree of acoustic and thermal insulation. It can be applied to most surfaces and is available in 11 colours. Chapeltown, Sheffield, S30 4YP. (0741 53171.)

Adhesive for tight corners

GOODYEAR has a non-flammable adhesive for production safety in confined work areas.

Pliobond 5015 contact adhesive is particularly well suited for marine and furniture industries because it can be used without danger of combustion in small, unventilated work areas such as boat hulls and furniture cabinets.

Made with a thermoplastic rubber polymer base, the adhesive has been engineered with versatile bonding characteristics that include wood, fibreglass, supported vinyl, steel, aluminium and hardboard. It can be applied by spray, brush or roller and has been tested to have heat resistance of 200 degrees F.

Goodyear International Corporation, Department 955, Akron, Ohio, 44316, U.S.

● TRANSPORT

Travellers checked by bar code

APPLICATIONS of optical mark recognition continue to grow more numerous, particularly where information has to be collected at what might be described as "grass roots" level.

Latest is at Midland Red Omnibus Company where the data processing manager is using a Data Recognition system to read into an ICL computer information about passengers' origin and destination throughout the bus network.

The information is being collected as part of an 18-month survey and the interviewers make use of a form on which simple bar marks are made with a black fibre-tipped pen. The forms go to Midland Red's computer centre at Edgbaston where they are converted by a Dataterm 3 machine into magnetic tape at the rate of 1,000 forms an hour.

The system is also being used for time sheets of the 15,000 employees of the company. More from Loverock Road, Battle Farm Estate, Reading, Berks. (0734 598511).

Designing a super-safe tender

TO MEET the ever higher risks associated with greater vehicle speeds and increasing road congestion, the CSV water tender has been designed and built by HCB-Angus after lengthy research and development work with the School of Automotive Studies at Cranfield College of Technology and the Motor Industry Research Association.

Fire fighting and emergency vehicles are sometimes pushed up beyond their limits in extreme emergencies. There is thus risk of collisions and vehicle roll-overs and the CSV cab is intended to give extra protection to the crew in such incidents.

Cranfield used a very large computer in the analysis of deflections and plastic behaviour of cab materials. An early prototype CSV cab and a pre-production cab were both subjected to roof crush and frontal impact tests at MIRA, Nuneaton test ground.

Physical impact tests included roll-over and direct impact of a 1,000 kg mass at 34 kph on a front corner. Both cabs withstood the impact and retained a "good survival space" for their occupants.

Ogle Design of Letchworth was called in to help with the layout of a new cab interior.

HCB-Angus, Commercial Road, Totton, Southampton. 042 16 7071.

● COMPUTING

Surveyors set up a network

COMPUTER ADVISORY Services for Management (CASM) of the CAP group has completed a big online project for Jones Lang Wootton, chartered surveyors and property consultants with 29 offices in 15 countries.

The fundamental aims of the JLW project are to provide a matching service in the agency and investment departments; support a partnership-wide property, client and applicant information service; maintain a high level of security and provide on-line archives of completed property records.

Additionally, the system must deal with future links with European centres and other JLW systems such as portfolio valuation, estate management and accounting.

The CASM work ranged across a wide spectrum of capabilities and involved three feasibility studies, the data processing management role, operations and staff hire, demonstrations and user training, system installation and documentation.

JLW's computer, an ICL 2903 with three disc drive units and six ICL 7502 terminal processors to drive initially 35 visual terminals and five termi-printers, is located in the partnership's Mount Street, London offices.

CAP is at 14, Great James Street, London, W.C.1. 01-242 0021.

Improved single card machine

INTEL has announced what it describes as its second generation OEM single card computer, the SBC 80/20.

It contains the basic subsystems of the SBC 80/10 announced in February but has enhancements to meet the needs of original equipment makers requiring more powerful systems. The improvements include full multi-processor ability, programmable interval timers and programmable interrupt control, with the latter two functions implemented by means of two new large-scale integrated circuits. Also offered are new OEM disc drivers and controllers for bulk storage.

Throughput and real time responses have been improved and the OEM can use the multi-processor ability to scale up computing power in a completely modular and flexible way. Multi-processors of up to 16 SBC 80/20 units can be implemented.

Two 8255 programmable peripheral interfaces provide the 48 input/output lines which are organised as six eight-bit ports and these can be used in a large variety of software-selectable modes for connecting external devices.

The other new device on the card is the 8259, a device which can handle interrupt vectoring control of up to eight priority interrupt levels for the 8080A CPU. More from 4, Between Towns Road, Cowley, Oxford, OX4 3NB (0865 771431).

Terminal can read both ways

BILINGUAL, an Arabic/English visual display computer terminal has been developed by Scicon, based on the Lynwood Scientific Development intelligent terminal, for which the *company already has placed* orders counting up to 32 units.

Scicon has developed its own character set and instructions for the terminal so that characters are displayed fully joined up to each other as appropriate in the script. Legibility is increased substantially by the use of a 10 x 6 dot matrix.

Arabic is written from right to left, while numerics and English go in the opposite direction. No operator intervention is required as the terminal itself calculates direction and display space.

Scicon (a BP subsidiary) is launching the equipment next month and expects the unit to have excellent markets in the Middle East where there is comparatively little competition at the moment for such terminals.

Scicon, 49 Berners Street, London W1P 4AQ. 01-580 5599.

● INSTRUMENTS

Charts many channels

OFFERED by Hartmann and Braun (U.K.) is the Polycomp 2 dotted line potentiometric recorder able to deal with up to 24 channels at an accuracy of ±0.25 per cent.

Signals can be presented to the recorder as electrical quantities in their own right or as electrical signals from temperature sensors, angular transmitters, gas analysers and many other kinds of transducer. Inputs can be down to 2 mV, 1 microamp or eight ohms.

The 24 measuring points are associated with the measuring ranges they require by manually sliding a series of cams. No electrical modifications are needed and changse can be made at any time, even during operation.

Printing on the 250 mm chart is in six colours, with further identification by printed numbers. Chart speeds are 20, 60, and 120 mm/hour, but by simple gear replacement 2400 mm/hour can be produced. Dot interval is independently variable. More from Moulton Park, Northampton (Moulon Park 46311).

Speed and distance for yachts

DESIGNED for small craft cruising is the Stowe Electronic Log, a self-contained, compact and simple speed and distance recorder put on the market by Simpson-Lawrence, 218, Edmiston Drive, Glasgow G51 2YU (041 427 5331).

It consists of a helical propeller driving a transducer at the end of nine metres of cable. Speed is recorded up to ten knots with an accuracy of ±3 per cent, and there is a distance run display of up to 1,000 miles. The cockpit unit measures 162 x 112 x 93 mm.

There are no installation costs and no hull fittings; the unit can be operational within a couple of minutes of unpacking. The line may be hitched round a cleat and trailed from the quarter or alongside.

PP7 batteries are used giving a life of about 300 hours—an average season's running.

● PROCESSES

Laboratory gear cooled

ELECTRON microscopes, magnetic and X-ray spectrometers, lasers, and many other systems in both research and quality control laboratories, have to be kept cool. Often the cooling system is a modified version of an industrial or domestic refrigerator, and is usually large and noisy.

Designed for use with expensive equipment in medical, research and industrial laboratories, are closed-circuit refrigerated water coolers by F. and R. Cooling, Wellington, Somerset (082-347 3281), a Newman Industries company.

The range covers ratings from 2 to 5 kW, with capacities from 320 to 800 litres/hr cooled through 5 deg.C. The units are in sound-absorbent cabinets, with services and air-duct connections at the rear. The coolers are 2 feet square and up to 5 feet high.

Quick strip in a hot sand bath

CLAIMED TO rival chemical stripping, is a method of industrial cleaning and coating removal using hot fluidised sand baths.

A range of four baths has been launched by Volstatic Coatings, 57 Stirling Road, Acton, London W3 8DJ (01-992 6931), which provide working areas ranging from 3 x 3 feet to 5 x 7 feet.

Called Pyrotherm, the process is said to be suitable for almost all cleaning applications such as removing paint, resins, epoxies and greases from paint jigs, electric motors, coils, wire and automotive components. Custom-built systems can be supplied.

Components are heated up to 550 deg. C by immersing them in the fluidised sand, and the coatings are thermally attacked, then removed by the agitation of the sand. No scouring or over-heating occurs, says the maker.

The sand is circulated and heated through a gas burner. A second burner in the exhaust duct burns off any pollutants and impurities. Components or batches weighing up to 1,500 lb. may be treated.

Paint spray separation

TO REDUCE the size and cost of plant used for the separation and collection of paint overspray, Carrier Engineering Company, has developed a self-contained equipment called Hydropac.

It can be supplied for installation alongside an existing or a new paint spray booth. Alternatively, it may be installed remotely from the booth but engineered into the existing flume system.

Advantages claimed for Hydropac, compared with a central water system, are that it requires minimal excavation, eliminates the need for large sludge scumming and settling tanks and their associated gear, uses less water, chemicals and power, and provides a paint effluent which is simple to handle.

Basically it is an accumulating vessel in which the waste paint is separated from its carrier liquid, collected into a dense layer, and periodically removed. The flotation method of separation is used.

Details from the company at Lode Lane, Solihull (021-704 2111).

● RETAILING

Electronics grow in the forecourt

TOTAL OIL recently decided to press forward with its *forecourt* re-equipment programme by ordering over £2m. worth of Autocourt electronic petrol pumps and kiosks from Ferranti to fit out 250 service stations, additional to the initial order for 50 placed in 1975.

These last stations have been coming into service at the rate of around one a week in the last few months and the electronic equipment has proved reliable in service as well as easy to use *for* customers.

For the garage owner, installation of the equipment is relatively simple there are only wires per pump including audio link for the kiosk supervisor.

High accuracy is claimed for the blending system and virtually any design layout of the forecourt can be accommodated.

Autocourt has a fundamental advantage, in common with other electronic pumps, over mechanical designs in that it will cope with prices over ... per gallon without expensive modifications. It will also be comparatively easy to switch over to litres from gallons when the move is decided in a few years' time. This latter modification will take only a few seconds.

Industrial Products, Ferranti, Dalkeith, Midlothian EH22 ... 031-663 2821.

● By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.

CONTRACTS AND TENDERS

KINGDOM OF MOROCCO

Ministry of Commerce,
Industry, Mines and Mercantile Marine

Société Nationale de Sidérurgie (SONASID)

INTERNATIONAL PRE-SELECTION NOTICE

C—Third List

The SOCIETE NATIONALE DE SIDERURGIE intend to construct an integrated steelworks which will be located in the Province of Nador on the Mediterranean Coast and which will initially produce one million tonnes of liquid steel for the manufacture of billet, rod, bar and section.

It is anticipated that commissioning of the steelworks will take place at the beginning of 1980. The steelworks is being divided into several sections, civil engineering excluded, for which two lists have been given in previous notices.

This notice relates to the following sections:

Ref	Section	Size	Date of call for tenders	Date of completion
C1	Port—materials handling Works—materials handling	Conveying systems and bunker, rail charging at 1000 tonne/hour based on iron ore Handling, stocking and reclaiming systems for the principal raw materials	1 February, 1977	1 December, 1979
C2	Lime burning plant	2 kilns each with burnt lime output of 100 tonnes/day	1 March, 1977	1 February, 1980
C3	Oxygen plant	250 tonne per day 99.5 per cent purity oxygen	1 March, 1977	1 April, 1980
C4	Overhead travelling cranes—1	6—EOT cranes, 80 tonnes to 220 tonnes capacity	1 January, 1977	15 January, 1980
C5	Overhead travelling cranes—2	8—EOT cranes approx 40 tonne capacity	1 January, 1977	15 January, 1980
C6	Overhead travelling cranes—3	20—EOT cranes 10 tonne to 30 tonne capacity	1 January, 1977	15 January, 1980
C7	Mechanical services	Water, gas, oxygen etc, interplant services, including treatment and storage plants	1 June, 1977	1 February, 1980
C8	Electrical distribution	Distribution system HT and MT (225 kV—20 kV) including three transformers 40 MVA each, switchgear cables, etc at the works and the Port of Beni-Enzar.	1 April, 1977	1 December, 1979

The financing of the plant and services will be provided as necessary from the following sources:

1. SONASID funds.
2. Buyers credits available in some countries and granted by the export aid financial institutions of those countries.
3. Credits granted by international development banks.

Firms interested are invited to write to:

Monsieur le Directeur General, Société Nationale de Sidérurgie, 16 Rue Abou Inane, RABAT – Morocco. Telex: 31721 M

before 8 November, 1976, stating the reference numbers of the section(s) for which they would like to receive the relevant pre-selection documents and a questionnaire.

The completed questionnaire returned within the specified time limits will be used for drawing up lists of prequalified contractors who will be invited to tender.

FEDERAL REPUBLIC OF NIGERIA
NATIONAL ELECTRIC POWER AUTHORITY
PREQUALIFICATION OF TENDERERS FOR CONTRACT NO. CS006 GENERAL WORKS FOR SHIRORO HYDROELECTRIC PROJECT
NIGER STATE, NIGERIA
(READVERTISEMENT)

The Shiroro Hydroelectric Project located in Niger State, Nigeria, approximately 90 km southwest of the city of Kaduna. It is situated at Shiroro Gorge on the Kaduna River near its confluence with the Dinya River. The National Electric Power Authority (NEPA) plans to invite tenders from prequalified tenderers in March of 1977 for construction of the project general works, and to receive the tenders in July of 1977 and award a contract in November 1977. Completion of the works is scheduled for July of 1982.

The work of the contract for General Works includes the following principal features:

Construction camp, storage warehouse and storage areas, offices, first aid stations, and similar temporary works, as well as the permanent operators village and ancillary facilities.

9 km of service roads.

River diversion works consisting of two 13-metre horseshoe shaped tunnels each 430 metres long, and necessary cofferdams.

A concrete faced rockfill dam 700 metres crest length and ... metres height above the river bed, and two reservoir rim dikes.

A concrete chute-type spillway 9800 cu.m. capacity controlled with four radial gates.

An above-ground indoor-type powerhouse with a generating capacity of 600 MW consisting of four units.

A power intake structure and four 6.3-metre diameter concrete encased steel penstocks each averaging ... meters in length.

Excavation of tailrace channel, spillway and power intake approach channels.

An administration and control building.

Approximately 6.7 km of railroad relocation including railroad bridges, embankments and culverts.

Turbines and governors, generators and accessories, and power transformers will be furnished and installed under other contracts. NEPA will furnish cranes and hoists, gates and gate guides, and trashracks for installation under the General Works contract. A contract will be awarded at a later date for the powerhouse electrical completion work, switchyard and transmission line construction.

In order to prequalify as an acceptable tenderer interested contractors must complete and submit prequalification forms. Required prequalification forms may be obtained from:

Chas T. Main International, Inc.
Southeast Tower,
Prudential Center,
Boston, Massachusetts, U.S.A. 02...
Attention: Mr. N. P. Triano
Project Manager

Chas. T. Main International, Inc.
134-136 Broad Street
P.M.B. 12030
Lagos, Nigeria
Attention: Mr. E. Ringle
Project Coordinator

One copy of the letter of request for prequalification documents must be sent to:

Director, Engineering Projects Department
National Electric Power Authority
24-25 Marina
P.M.B. 12030
Lagos, Nigeria

The forms must be completed and returned to the addresses indicated ... the prequalification documents ... later than December 15, 1976.

CONTRACTS AND TENDERS ALSO APPEAR ON PAGE 34

REPUBLIC OF BOTSWANA
BOIPELEGO EDUCATION PROJECT
TENDER REGISTRATION NOTICE

The Government of the Republic of Botswana has received Loan Nos. 1274BT and 1275 T-BT from the International Bank for Reconstruction and Development (World Bank) to assist in the expansion of its educational system.

The Botswana Government invites suppliers of educational furniture and equipment to participate in international competitive bidding

(ICB) FOR UP TO TWO-AND-ONE-HALF MILLION DOLLARS (U.S. DOLLARS 2½M.)

worth of material to be delivered during the period January 1977 to December 1979. The furniture and equipment purchased will be for secondary schools, teacher training and adult education facilities, education through radio and correspondence methods, plus brigades' training programmes and a multipurpose education centre which both include rural skills training.

For details, including tender registration application, contact:—

Procurement Section.

AUSTRALIA

200 MW GAS TURBINE GENERATING PLANT

Tenders are invited by the State Electricity Commission of Victoria, Australia, for the manufacture, supply, delivery and erection of a 200 MW Gas Turbine Generating Plant including transformers, switchgear and plant enclosure to be installed in the State of Victoria, Australia.

Facilities are available for the scrutiny of all relevant specifications at the offices of the Agent General for Victoria, Victoria House, Melbourne Place, Strand, London, W.C.2, and appointments can be arranged by telephoning 01-836 2656.

The closing date for receipt of Tenders in Melbourne, Australia, is 9th November, 1976.

WORLD TRADE NEWS

Major bank guarantee for Saudi Arabia arranged

FINANCIAL TIMES REPORTER

A BREAKTHROUGH in raising guarantees for large Middle East contracts has been achieved with the signature by 40 international banks of a $...50m. (£127m.) syndicated guarantee facility for the industrial port project in Saudi Arabia.

The facility has been arranged for the National Commercial Bank, the leading Saudi commercial bank, for whom the transaction also represents a significant step forward in its international banking operations.

The Jubail project is one of the key elements in Saudi Arabia's £85bn. development plan. The SR3.3bn. (£506m.) project was awarded to the Hyundai Construction Company of South Korea in June.

National Commercial Bank originally provided performance bond and advance payment guarantees worth Rls.997m. or 30 per cent. of the contract price. Under the facility just agreed, the international banks will issue standby letters of credit worth Rls.750m. in the NCB's favour, leaving it with the balance of Rls.227m.

The facility is the first of its kind to be arranged with such a large number of international banks, and the first for such a big amount. Such were the technical and legal complexities that the transaction took over three months to complete before the signing in London late last week.

Mr. Frank Neyens, one of the First Boston advisers seconded to the NCB and involved in the project, said: "It solves some very basic problems for big contract awards." He foresees more deals of this kind fairly soon, now that the legal structure for such a complicated transaction has been pioneered.

About 60 per cent. of the transaction was placed with Bank of America, Chemical Bank, Barclays International, the UBAF group, Lloyds International, Bankers Trust, Mellon Bank and the Kuwait Foreign Trading Contracting and Investment Company. Other U.S., European, Japanese and Arab banks also took part.

Omar Bajamal, director of the NCB's international division, admitted that Hyundai would have found it very difficult to take up the Jubail contract if the NCB had not been willing to look for a new form of providing bank guarantee facilities.

Optimism in Israel over EEC imports

By L. Daniel

JERUSALEM, October 24.

MOST of Israeli industry will be able to stand up to competition from European producers as Israeli tariff barriers are gradually reduced on industrial goods from the EEC under the agreement between Israel and the Common Market, which came into effect a year ago.

This is the conclusion reached by the Ministry of Commerce and Industry here as a result of a study of some 600 local firms, accounting between them for about a third of Israel's total industrial output.

In total, 35 per cent. of the firms questioned claimed that they would not be faced with competing imports, 27 per cent. thought that they would be faced with strong competition, while the remainder regarded the inroad of foreign products as marginal.

Only about 6 per cent. of all industrial firms will have to close down (or completely change their lines of production), while 21 per cent. will have to streamline their operations, according to the director general of the Ministry, Mr. M. Mandlebaum.

He estimated that between 12,000-18,000 workers will have to be transferred by stages from their present workplaces to more efficient firms, with that process to be completed by 1985.

He stressed that most firms were ready to make the necessary adjustments required in the light of the stage-by-stage cut in Israeli tariffs to zero over the next decade. (Israeli industrial products will be permitted to enter the EEC duty-free from next July.)

Meanwhile the Commission earlier this week authorised the start of negotiations at the end of this month on the financial and supplementary protocol with the Market which Israel has been seeking for some time. The financial protocol is to provide Israel in the first instance with a loan of 30m. units of account (about $33m.) from the European Investment Bank.

Machine tool study for officers

By Kenneth Gooding, Industrial Correspondent

AS PART of the U.K. machine tool industry's export drive commercial officers from 14 British Embassies and Consulates overseas start a five-day study of the industry to-day.

They arrive at a time when latest trade figures show the favourable balance for machine tools widening. In the first ... months of 1976 exports at £...m. were £35.1m. more than imports. Figures for the equivalent period last year showed exports £29.2m. more than imports at £105.8m.

This week's visit by the commercial officers should put them in a better position to help U.K. exporters in future.

They will take part in discussions on a wide range of topics about the machine tool industry as well as visiting factories in Coventry, Birmingham and Leamington Spa.

Leyland in Finland

BY JOHN WALKER

STOCKHOLM, Oct. 24.

THE commercial vehicle division of Saab-Scania and British Leyland are each buying a 10 per cent. share holding in Sisu, the Finnish heavy duty truck manufacturers. Although no purchase figure is available, one report suggests that Scania's involvement amounts to some "tens of millions of kronor."

A Saab-Scania spokesman said that the project is a long-term one for rationalising sales and production. Both Scania and British Leyland will market Sisu heavy trucks on certain markets abroad.

Some of the Sisu heavy trucks are complementary to the range of both British Leyland and Scania. Sisu's production is about 1,500 heavy trucks yearly, while Scania's is about 20,000.

Talks about Sisu assembling Scania trucks at the Sisu factories for the Finnish market have been abandoned as the project did not appear to be profitable.

The Finnish State has during the last few years bought a majority of the Sisu shares. Formerly it was a privately owned company and the new deal will give a minority shareholding to Scania and British Leyland.

Saab-Scania already have substantial interests in Finland with passenger car production at Oy Saab-Valmet which produced about 25,000 cars last year. Sisu has links with British Leyland as they are their agents in Finland.

Spanish to visit U.K.

By Roger Matthews

MADRID, Oct. 24.

A HIGH-RANKING group of Spanish bankers and industrialists, headed by a member of the Finance Ministry, have left here for a three-day visit to the City of London during which it is hoped to lay the basis for closer financial links between Britain and Spain.

The visit has been organised by the Committee of Invisible Exports in conjunction with the Department of Trade and is the first of its sort to be organised for a Spanish delegation.

During an intensive programme the Spanish delegation will have the opportunity to learn more about the more sophisticated services the City has to offer and can in turn see how these may be applicable to their own current needs.

The composition of the Spanish team reflects the importance of the State-run sector of industry and of the regional aspects of the country with strong representation from the industrially developed provinces of Catalonia.

Hosts for the visit are Barclays Bank, Hill Samuel and the insurance brokers Glanvill Enthoven which together can offer more detailed information on fields of activity of particular interest to the Spaniards. Despite the long-term presence of several British insurance companies in Spain the sector still has plenty of room for development as do, for example, both factoring and leasing.

World Economic Indicators

UNEMPLOYMENT

		Sept. '76	Aug. '76	July '76	Sept. '75
	000s s.a.	1,319.3	1,309.4	1,294.0	997.0
	%	5.6	5.6	5.5	4.4
...d	000's	220.6	226.6	220.4	206.8
	%	5.4	5.5	5.4	5.0
...ermany	000's	898.7	939.5	944.6	1,031.1
	%	3.9	4.1	4.1	4.5
...m	000's	222.9	223.1	224.5	185.9
	%	8.5	8.5	8.6	7.0
...	000's	7,400.0	7,500.0	7,400.0	7,800.0
	%	7.8	7.9	7.8	8.3
		Aug. '76	July '76	June '76	Aug. '75
...e	000's	841.5	808.5	813.0	797.0
	%	3.8	3.5	3.6	3.3
		July '76	April '76	Jan. '76	July '75
	000's	776.0	693.0	681.0	648.0
	%	4.0	3.5	3.5	3.3
		April '76	March '76	Feb. '76	April '75
	000's	1,130.0	1,250.0	1,250.0	980.0
	%	2.1	2.4	2.4	1.9

Contracts

- The Federal Republic of Germany will provide financial assistance totalling 750m. Rupees (about $75m.) to Pakistan during the current financial year under two agreements signed between the two governments in Aslamabad.
- East Germany plans to build a $350m. petrochemical complex at Schwedt and Toyo Engineering of Japan is likely to be the main contractor. Mr. Gerhard Beil, First Vice Foreign Trade Minister for East Germany, said in Tokyo.
- BAT Cigaretten-Fabriken of Hamburg, a subsidiary of British American Tobacco, plans to spend £15m. (DM60m.) by 1978 in doubling production and storage at its West Berlin plant. The company produces 40bn. cigarettes a year and has 29.4 per cent. of the market in West Germany. Up to June this year, exports were increased 34 per cent. compared with the first six months of last year.
- David Brown Gear Industries of Huddersfield has received an order for five complete sugar-cane mill transmissions with a value in excess of £450,000, from A. and W. Smith of Glasgow, part of the Tate and Lyle Engineering Group. The order results from a contract won by TLE for a turnkey sugar factory, placed by Cenazuca, the Venezuelan Government Sugar Company.
- A £500,000 contract has been won by a Peterborough company, Baker Perkins Chemical Machinery, for plant which will be installed in a new aluminium smelter in Northern Spain. The smelter is being built for Aluminio Espanol and the order was placed by Fives Lille-Cail Iberica, suppliers of the anode paste plant.

SOUTH AFRICAN MINERALS

More glistering than gold

BY RICHARD ROLFE IN JOHANNESBURG

THE SOUTH African authorities have in the past six months commissioned the two new harbours of Richards Bay, in Natal, and Saldanha on the Western Cape coast. With associated port and railway facilities, these projects had cost more than R2bn. (about £1.3bn.) but they are making possible a big rise in the Republic's base mineral exports which are set to double from R1bn. in 1975 to about R2.1bn. in 1978.

The projections are in constant Rand: they are based on volume increases and make no allowance for any price changes over the period. Hand in hand with development of the new ports have gone a number of big mining and ferro-alloy projects intended to supply the necessary traffic and to diversify foreign exchange earnings by exploiting an increasing portion of the Republic's natural resources.

These projects have generally been notable for the way many have been joint ventures between local mining groups and major multinational concerns, particularly from the U.S., involving mining, industrial, and oil companies.

A few years ago, coal exports were limited to a small quantity of anthracite. Six years ago, a group of mines entered into a contract to supply low ash blend coking coal to a consortium of Japanese steel mills. It provided base load of 2.5m. tons per year for the rail spur to Richards Bay and the coal loading facilities. Since then a number of contracts have been signed, and deliveries are now at a rate of 4m. tons a year and will build up to 12m. tons from April 1978 and 20m. tons from April 1979.

The multinational involvement has been most conspicuous in the final phase of the programme, from 12m. to 20m tons. Trans Natal is developing an R80m. colliery, Ermelo Mines, with Total of France and BP, to produce 3m. tons per year. Rand Mines is to develop a similar colliery, Rietspruit, with Shell. Anglo-American's Amcoal subsidiary will be the other exporter in this phase, but its intentions have not finally crystallized.

Coal exports will certainly be raised above 20m. tons a year during the 1980s, but Richards Bay will have to be expanded and hope persists that slurry pumping technology can be improved to move it by pipeline. In addition, the Government needs to resolve its ambivalent attitude to exports, as it wants to conserve coal for domestic use but also wants the foreign exchange.

Iscor's deliveries, primarily to Japan, have just started and will reach 18m. tons by end-1977. Provision has been made for 10m. tons per year of private sector exports through Saldanha, which would lift traffic to the limit of the present facilities (though they could relatively cheaply be extended to 40m. tons per year).

So far the only certain starter is Anglo Vaal's Associated Manganese, which has a 3m. tons per year contract with U.S. Steel. The possibility still remains of a semis plant at Saldanha, costing R1.3bn., consuming 5m. tons per year of iron ore and producing 3m. tons per year of semis at around R100 per ton. A consortium including Voest of Austria and other European steelmakers has been in existence for some time, but finance and possibly demand projections are among the problems.

The Beach Sands project, only a few miles from the Richards Bay port, is led by Union Corporation and Quebec Iron and Titanium, which in turn is controlled by Kennecott and Gulf and Western. Cost will be around R250m. and full output of rutile, zircon, low manganese pig-iron and titania slag will be reached in 1978. General Mining, which now controls Union Corporation, is investigating a similar deposit adjoining the one now to be exploited.

South African gold mines are producing around 6.7m. lbs of uranium per year. Increases will accrue entirely from new projects and extensions to existing South African producers. The table makes no allowance for Rossing, which at an eventual rate of 11m. lbs will equal the entire South African uranium output. The main expansion will come from Randfontein, which is rumoured to have a contract with Westinghouse, President Brand, and Anglo's dump reclamation project known as ERGO.

The platinum figure reflects recovery to rated capacity at Impala and Rustenburg over the next two years plus some expansion at Rustenburg. It also allows for sales of by-products, principally copper, nickel, palladium and rhodium.

Finally, ferrochrome is another area of great potential, if only because few ferrochrome plants are being assembled anywhere else in the world and the growth rate seems likely to be high. South Africa's competitive advantages of cheap labour and electricity are rapidly being whittled away, but on the other hand the bulk of known chrome reserves are in the Republic, mainly in the Eastern Transvaal.

The two new projects are known as Tubatse (controlled by General Mining and Union Carbide) and Consolidated Metallurgical Industries (JCI and Showa Denko of Japan) both have a rated capacity of 120,000 tons per year of ferrochrome.

For the Republic's foreign exchange earnings all that means is that if, as seems quite likely, the gold price stays around current levels, mineral exports other than gold over the next two years will equal gold as a foreign currency earner, probably overhauling it during 1979.

In 1975, total gold sales at R2.5bn. and merchandise exports (all other exports) at R3.6bn. fell short of imports and net service pyaments by R1.8bn. Continuance of this trade deficit in the current year has been one of the main factors precipitating the recession in the South African economy now.

Base mineral exports look like being the one growth area which affords escape from the endemic trade account deficit, but any growth above end-1978 projections will depend on the availability of overseas capital to plough into the next generation of projects—essentially a political problem.

S. AFRICAN MINERAL EXPORTS

Mineral	Projects	Additional annual exports 1978-79 (Rands m.)
Coal	Export rise from 4m. to 12m. tons	250
Iron ore	Iscor exports 18m. tons	250
	Private sector 3m. tons	40
Titanium, beach sands	Richards Bay iron and titanium	100
Uranium	Increase of 4.9m. lbs.	130
Platinums and by-products	Expansion at Rustenberg, Impala	150
Diamonds	Koigmaas (De Beers Namaqualand)	50
Copper	Palabora extension	50
Ferrochrome	Two new facilities plus extensions	100
Total		1,120

Building and Civil Engineering

£4m. entertainment centre in Blackpool

THE MAIN contract for the construction of Coral Island, the £4m. seaside leisure complex to be built by the Coral Leisure group in Blackpool, has been awarded to Shepherd Construction of York.

The assignment is worth £2m. and the main construction work will be finished by November, 1977. The total project is due for completion by May, 1978, in time for Blackpool's summer season.

Coral Island, which is expected to be the largest enclosed entertainments centre of its type in the U.K., is situated on a two-acre site facing the promenade on the Golden Mile.

Its 90,000 square feet on ground and partial mezzanine levels will offer a choice of four eating areas, a cabaret bar and pub discotheque, fun fair attractions, a supervised children's playground, a large amusement and walk-through area, a 1,500 seater bingo and social club and a multi-purpose hall.

The project is intended to offer traditional seaside "fun for the family." The Golden Mile tradition of small traders and showmen offering their wares has not been forgotten. Over 20 shops and stalls, many offering access to the enclosed area beyond, have been incorporated in the plan.

Coral Island is financed entirely by the group and will be operated by a newly formed subsidiary company—Coral Entertainments.

The group's property subsidiary, Coral Tangcourt, is responsible for the development and construction of the entertainments complex. The architects are Leach, Rhodes and Walker, Manchester: quantity surveyors, Worrall and Kelly, Bolton.

Variety of jobs worth over £6m.

CONTRACTS worth £6.5m. have been awarded to Espley-Tyas.

The largest is for a medical facility at Upper Heyford (£4.5m.). The facility comprises a two-storey building of about 100,000 square feet with a service undercroft. Each level will have a ceiling service void containing all the distribution service mains.

A separate structure away from the facility will accommodate boiler plant and will be connected by means of an underground walk-through service duct. External works will involve landscaping, roads and car parks and pavings.

The other contracts, says Espley-Tyas, are for the Army and RAF.

Laing wins housing job

A CONTRACT for the construction of Neath Hill (No. 1) Housing, for Milton Keynes Development Corporation, has been let to John Laing Construction. Value of the contract is over £3.7m.

The scheme has been designed by the Development Corporation, and consists of 341 dwellings for rent including 19 homes for physically handicapped people.

The houses will be of traditional construction, with brick walls and tiled duo-pitch roofs, and will be built in a series of mews-type courts containing an average of 24 homes. Completion is due in January 1979.

Steel plant foundations

THE BRITISH Steel Corporation has awarded a £1.5m. contract to Balfour Beatty Construction (Scotland) for the foundations of two direct reduction plants being built at Hunterston (Ayrshire.

Construction has already begun and is being carried out under the supervision of PFP Industrial Design Consultants of London. Work involves driving about 500 steel universal bearing piles to an average depth of 20 metres and placing concrete pile caps to support the main plant items.

Housing in Kent

T. HEADLEY of Ashford, Kent, has secured two local authority housing contracts worth £3.9m.

Work has started on one site at Marden, near Maidstone, Kent, where roads and 183 houses and flats are planned.

The company expects to start soon on another site at Newton, Ashford, where roadworks and 238 houses and flats are to be constructed for Ashford Borough Council.

Flats and factory

THE Guinness Trust has awarded a £439,144 contract to John Willmott Construction to build 64 flats at Inskip Crescent, Stevenage.

Three 3-storey and two 2-storey blocks are called for, together with a warden's house. Work is expected to start early in November.

Architects are Leonard Vincent Raymond Gorbing and Partners.

James Whiffin, a member of the John Willmott Group, is to build a 22,000 square foot factory with offices for Phosco at Ware, Herts. The factory will be a steel framed building with brick cladding. Value of this contract is £273,742.

Architects are Adams Huntley Associates. Completion is expected in nine months.

Factory and school

THREE contracts have been w[on] by FPA Finnegan, main bui[ld]ing subsidiary of the FPA C[on]struction Group.

The largest has been award[ed] by Derbyshire County Coun[cil] for the construction of a co[m]prehensive school at Dronfie[ld] Road, Eckington, Derbyshi[re]. Work on the £662,709 contra[ct] is scheduled to begin on Nove[m]ber 1.

English Industrial Estate C[or]poration, which earlier this ye[ar] awarded Finnegan a contract [to] build a factory unit at Wortl[ey] Road, Rotherham, has now e[x]tended the contract for a furth[er] unit on the same site. Th[e] contract is worth £136,500.

A £65,000 factory unit is al[so] to be built at Brighouse in Yor[k]shire, for the same organisatio[n].

£1½m. dump trucks ordered

FAIRCLOUGH has placed a £1½m. order with John Blackwood Hodge and Co. for Terex 33-11B rear dump trucks.

These trucks each have a carrying capacity of 85 tons and is powered by a 860 hp General Motors diesel engine.

Delivery is expected early next year and the trucks will initially be used at Pengesto open cast coal site which is being operated by Fairclough-Parkinson Mining on behalf of the National Coal Board.

£¾m. factory project

CONSTRUCTION of a factor[y] warehouse and office accom[modation] for the Vapormat[ic] Company has begun on th[e] Sowton Industrial Estate ne[ar] Exeter.

The £500,000 contract ha[s] gone to S. W. Clarke (Con[tractors]). Cost of the 4.6-acr[e] site, the building an[d] mechanical handling equipmen[t] will be about £750,000.

Wimpey busy in Liverpool

THREE CONTRACTS in the Liverpool area worth more than £2.7m. have been awarded to George Wimpey.

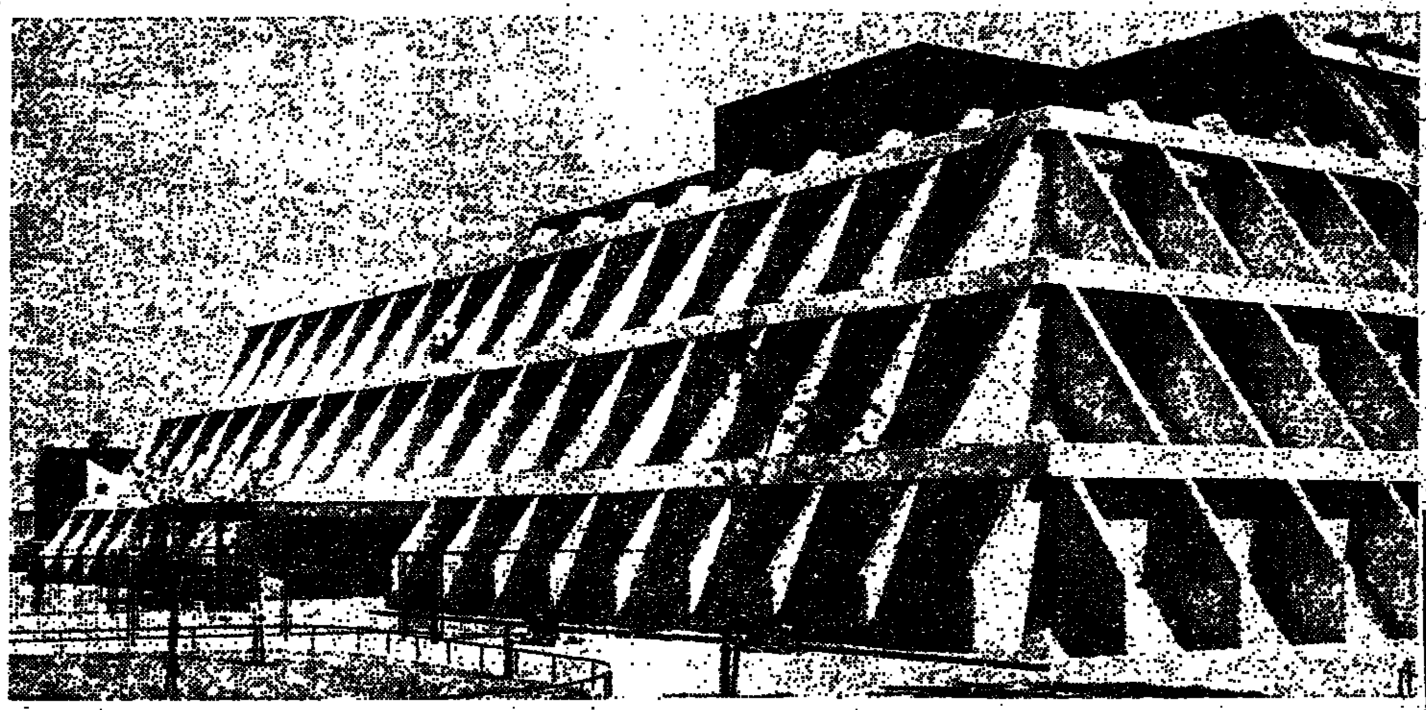
The biggest, worth over £1.1m., is for the construction of 108 houses, for the Metropolitan Borough of Wirral.

The contract, which has just started, includes 71 three-bedroom houses and 13 four-bedroom houses. Additionally there will be eight one-bedroom, two-person flats and 16 one-bedroom bungalows.

The second contract, worth £770,000, is from the English Industrial Estates Corporation for an advance factory industrial estate at Rock Ferry, Birkenhead. This project comprises five blocks of advanced terraced factories capable of being divided into a maximum of 16 individual factories each with its own self-contained facilities.

The structures will be single storey with steel portal frames with brick cladding to a height of two metres—above which will be metal sheet cladding and patent glazing.

The third contract has been awarded by the Department of the Environment Property Services Agency and is valued at £783,000. It is for one single, one three and one five-storey block linked together in tee form at Belle Vale, Liverpool.



The recently completed first phase of the London Borough of Newham's civic offices has an unusual structure of lightweight aggregate concrete with each floor of the three-storey building set back three metres. The building was designed in the borough's Department of Planning and Architecture and consulting engineers were E. Wingfield-Bowles and Partners. Main contractor was Thomas Bates and Son. Precast cladding, John Laing.

Travelling boiler

WHEN PLANT would normally be out of commission through breakdown or routine maintenance, emergency operation can be continued with a steam supply from a mobile boiler.

Gas or oil fired, the unit is completely self-contained and is mounted on a four-wheeled chassis. The control cabinet is stated to be vandal and weather proof, so that the boiler may be operated on exposed sites.

Capacity is 5,000 lb of steam/hour at 150 psi. A special heating coil system is stated to provide steam within a few moments of the burner being activated.

Details from John Jeffreys, Beaumont Road, Banbury, Oxon., OX16 7SB (0295 53421). This company operates a 24-hour U.K. hire service for boilers and steam generators with capacities from 700 to 5,000 lb steam/hour.

Checks the level in boreholes

INTRODUCED by Hartmann and Braun (U.K.) is a pressure transducer intended for lowering into boreholes to accurately determine the remaining water.

Depth is read off on a portable electronic meter mounted locally or, if necessary the data can be sent over cables to points up to two miles away.

The probe is only 30 mm in diameter and 300 mm long; connected to it by four-core cable is an amplifier/operating panel. The cable contains a capillary for automatic pressure compensation—a feature not found in many systems and which provides accuracy and independence of depth below ground level.

Probes are available responding to different pressures and therefore different liquid depths: ranges are zero to 1.0, 2.5 and 10.0 bar but is possible to use 10 per cent. of any range as the measuring span.

Probe responds to changes in pressure in 0.3 secs. and the reproducibility is better than 0.05 per cent. of maximum output signal. More from Moulton Park, Northampton (Moulton Park 46311).

IN BRIEF

- A 60,000 square feet store for Asda is to be built at Huyton, Liverpool by William Moss and Sons. Contract is worth £1.2m. Architects are Darnton, Elgee, Wrightson, Jackman and O'Connor.
- Gulf Surveys, a Laing subsidiary, has been registered in Saudi Arabia to carry out land survey and soil investigation work in the Kingdom and the Gulf States.
- Bovis company Gilbert Ash Scotland is building a £227,000 office block for the P&O company Sea Oil Services at Montrose, Angus.
- Matthew Hall Group has formed an Australian company—Matthew Hall Ortech Australia Pty.—registered office is at Matthew Hall House, 116-118, Christie Street, St. Leonards, NSW. The company will undertake engineering activities required for the up-grading and recovery of coal, ores and minerals.
- The Amber Valley District Council has awarded the Midlands Region of John Laing Construction a £215,000 contract to carry out external repairs on 951 council houses in 10 villages in Derbyshire.

هكذا من الأصل

To meet its NATO commitments, Canada has chosen Lockheed to build the world's most advanced maritime patrol and antisubmarine plane.

Called Aurora, its electronic, infrared and acoustic equipment will give it the keenest "eyes" and "ears" of any patrol plane. It also will carry the most advanced communications equipment of any patrol plane. And its photographic equipment and radar will give it unique capability for reconnaissance, search and rescue.

Aurora, a major derivative of the P-3 Orion, is the latest in a long line of maritime patrol planes that have been rolling off Lockheed production lines continuously for several decades.

The most advanced maritime patrol plane.

One of the technological achievements of the 55,000 workers at Lockheed.

HOME NEWS

Difficulties face nuts and bolts manufacturers

BY ARTHUR SMITH

THE £240m.-A-YEAR industrial fastener industry may be unable to meet the demands of the car companies next year, its trade association has said.

The "nuts and bolts" industry was "fighting for survival" in the face of weak demand, rising costs, and cheap imports from the Far East, Mr. Ken Peplow, director of the British Industrial Fasteners Federation, said last night.

Manufacturers of screws, nuts, bolts and rivets had cut their labour force to 70 per cent. of its 40,000 level of two years ago, and further redundancies were threatened, Mr. Peplow said.

Prices hit stocks

The federation has initiated talks with the automotive industry to seek a detailed breakdown and programme of the sector's requirements for next year.

Mr. Peplow said that the price of steel, which could form half the cost of a fastener, had risen by about 40 per cent. this year. "This puts so much pressure on liquidity at a time of recession that it is impossible to build up stocks over the full range of products."

Unless the automotive industry produced a detailed schedule of requirements to next year's expected upturn in the market, there was a danger of artificial shortages and increased purchases from overseas.

The federation, which has been pressing through the European Economic Community for an anti-dumping duty on Taiwan fasteners, hopes for a decision soon. It put its case to the EEC Directorate of Competition last week. Taiwan exports to the Common Market rose from 102 tonnes to 7,000 tonnes last year and are expected to increase further.

Mr. Peplow maintains that there is a much wider threat to the British industry from other Far Eastern countries, particularly Japan and North Korea.

The Office of Fair Trading, in its recent reference of the fastener industry to the Monopolies Commission, said that the British share of the international market had halved to 5 per cent. in the 10 years to 1973.

Concentration fear

Mr. Gordon Borrie, Director-General of Fair Trading, expressed concern that the concentration of the industry might have been a contributory factor in the decline.

The Office said GKN subsidaries were believed to account for more than 25 per cent. of the £237m. market in metal fasteners. Other leading companies thought to have a high proportion of the market in some categories of fasteners are Glynwed, Rubery Owen and Tucker Fasteners.

Monopoly references need not indicate the possibility of excess profit. Another concern of competition policy is that the structure of a market may lead to poor profitability, lack of innovation, and a poor export performance.

MK Shand makes 230 workers redundant

BY RAY PERMAN, SCOTTISH CORRESPONDENT

MK SHAND, the Invergordon company which specialises in putting a concrete coating on pipes for North Sea oil and gas pipelines, has made 230 employees redundant because of lack of orders.

The company had pinned its hopes on a new order from Shell-Esso for its pipeline from the Brent Field.

It has now been announced that the order will go to Bredero Price (U.K.) at Leith, Edinburgh, which has also been suffering from the hiatus in work associated with North Sea oil.

That company paid off 75 men two months ago after the completion of work for British Gas.

The run-down of employment at MK Shand began earlier this year when the company began to run out of work. The present redundancies will leave the yard with only a skeleton staff compared to its peak of 750 workers.

Further bad news from Scotland at the week-end was the loss of 40 jobs at Alexander Stephen (Forth), the Leith ship-repairing company.

National Savings static as lending rates rise

BY DONALD MACLEAN

NATIONAL SAVINGS attracted further net deposits in September, in spite of the increase in the Bank of England Minimum Lending Rate from 11½ per cent. to 13 per cent on September 10, which brought increases in interest rates on some competing investments.

The amount invested in the movement rose £77.7m., on the basis of preliminary figures, to £12.114bn. In September last year, there was a slightly smaller increase, of £75m., to £11.149bn.

Almost half the month's increase, however, was accounted for by the accumulation of interest. With undistributed interest excluded, net deposits were £41.7m., against £45.9m. a year earlier.

Since the end of September, there has, of course, been a further increase in MLR, to 15 per cent., increasing the challenge to the movement from other forms of investment.

However, the strengthening of National Savings competitiveness is projected by a Government decision to launch a 16th issue of Savings Certificates in December, carrying a yield of 12.74 per cent., grossed-up at the basic rate of tax, over a four-year life. From January 1 there will also be increased interest in National Savings Banks from 4 per cent. to 5 per cent. in the case of the Ordinary departments, and from 9 per cent. to 10 per cent. in the case of the investment department.

With the rises in MLR, there have been increases in rates of interest in such competing fields as bank deposits, building societies and local authority loans.

The "factors leading to the unprecedentedly high level of general market rates can only be regretted," Sir John Anstey, president and chairman of the National Savings Committee said yesterday.

The major sources of September's increase were the index-linked forms of savings, Trustee Savings Banks and Premium Bonds.

—	Apr.-Sept 1976◆ Rec'pts	Repayments	Apr.-Sept. 1975 Rec'pts	Repayments
	£m.	£m.	£m.	£m.
Savings Certs*	256.6	172.3	536.8	211.9
Save as you Earn:				
Dpt. Nat. S. ♥	36.7	3.8	13.4	2.2
T. S. Banks	7.6	2.6	9.7	4.7
Total SAYE	43.5	6.4	23.1	12.9
Br. Sav. B'nds & Nat Dev B'ds	60.1	40.5‡	65.2	60.0‡
Premium B'ds	70.5	35.3	66.2	36.5
Nat. S. Banks:				
Ord. accs.	257.8	292.4	277.0	317.7
Inv. accs.	67.5	54.1	52.7	52.3
Total N.S.B.	325.3	346.5	329.7	370.0
Trustee S.B.'s:				
Ord. Dep's	1,455.2	1,457.4	1,618.4	1,612.5
Sp. Inv. Dp's	473.1	478.6	334.6	314.0
Current accs.	1,049.9	1,029.8	475.9	453.7
Total T.S.B.	2,982.2	2,966.5	2,429.9	2,380.2
Total	3,737.0	3,567.4‡	3,347.4	3,070.6‡
Net savings	+169.6‡		+176.8‡	
Est. Ac'd Int.	272.5†	—	256.3	—
Int./Index link'd increase paid on Certs.	—	55.6◆	—	65.5
Int./Bonus paid on SAYE	—	1.0	—	2.2
Total	4,003.6	3,621.9‡	3,465.7	3,129.4‡
Ch'nge in sum remain'g inv'd	+387.6‡		+344.3‡	

◆ Estimated for 26 weeks. * Includes £100.4m. receipts and £18.5m. repayments on index-linked issue to date this year, and £169m. receipts and £9.2m. repayments for similar period last year. ♥ Includes £33.7m. receipts and £0.4m. repayments on index-linked issue to date this year, and £4.1m. receipts and nil repayments for similar period last year. † Includes £38.2m. increase on Retirement Certs. ◆ Includes £3.1m. index-linked increase on Retirement Certs. ‡ Includes bonds paid off on maturity (£13.9m. to date this year, and £23.7m. for same period last year).

World auction by Gibbons

STANLEY GIBBONS' Auctions to hold the first intercontinental auction in March. The first half of the auction is in Australia, at the Hilton Hotel, Melbourne: the second at the Mandarin Hotel, Hong Kong, two weeks later. One catalogue for both will be published.

The auction in Australia will be the first there by Gibbons. In Hong Kong it had a large auction in September.

This week in Parliament

THE COMMONS

TO-DAY: Retirement of Teachers (Scotland) Bill, Valuation and Rating (Exempted Classes) Bill, Sexual Offences (Scotland) Bill, second readings: motions on safety of sports grounds.

TO-MORROW: Insolvency Bill, remaining stages.

WEDNESDAY: Race Relations Bill, Lords amendments.

THURSDAY: Industry (Amendment) Bill, remaining stages. Local Government (Miscellaneous Provisions) Bill, Lords amendments.

FRIDAY: Land Drainage Bill, International Carriage of Perishable Foodstuffs Bill, National Health service (Vocational Training) Bill and Endangered Species (Import and Export) Bill, second readings.

THE LORDS

TO-DAY: Education Bill, Industrial Common Ownership Bill, Supplementary Benefits (Amendment) Bill, Aircraft and Shipbuilding Industries Bill.

TO-MORROW: Education Bill, report: Dock Work Regulation Bill, Electricity (Financial Provisions) (Scotland) Bill.

WEDNESDAY: Rent (Agriculture) Bill: Motor-cycle Crash Helmets (Religious Exemption) Bill, Bail Bill.

THURSDAY: Licensing (Scotland) Bill: Agriculture (Miscellaneous Provisions) Bill.

FRIDAY: Supplementary Benefits Bill, Education Bill, Supplementary Benefit (Amendment) Bill, Energy Bill, and Companies (No 2) Bill.

Subsidiary of IMI to expand

MARSTON PAXMAN, a subsidiary of Imperial Metal Industries, is planning a £1m. expansion of its present activities in liquid cooling and air-conditioning at Brighouse, Yorkshire.

Negotiations are being completed for the purchase of a five-acre site in Armytage Road, which includes a new modern one-storey factory comprising 30,000 square feet of production area. Production on the new site is expected to start early in 1977.

The existing Marston Paxman factory in Bradford Road, Brighouse, will continue to be used to full capacity. Since June last year, Marston Paxman has increased its total workforce by 76.6 per cent. to meet the growing demand for its products.

Demand up sharply

"Demand from brewery companies for Marston Paxman's beer cooling equipment has almost doubled over the last 12 months," Mr. R. S. Spencer, managing director, said. "At the same time there has been a considerable growth in the world market for air-conditioning products. Two long hot summers in the U.K. have emphasised the need for this kind of equipment.

"Marston Paxman will continue to take every advantage of the growth market in all its activities, marketing products of good design, made in Britain with British capital and British labour."

Calder Hall could stay for 20 years

BY DAVID FISHLOCK, SCIENCE EDITOR

CALDER HALL, the world's first nuclear power station of commercial size and 20 years old this month, could remain in service for another two decades.

But, several million pounds will have to be spent refurbishing a power station originally designed under a Ministry of Defence contract for a life of only 20 years.

That is the conclusion of a detailed engineering appraisal undertaken by British Nuclear Fuels, which operates Calder Hall, a dual-purpose station supplying 240MW of electricity to the national grid and process heat to the adjoining Windscale works.

Although the appraisal is not finished, the company has begun to modernise instrumentation of the four Calder reactors. It plans to re-blade the turbines, a measure which will increase the station's electricity capacity—originally only 180MW net output—for the third time.

Fuel burn-up—the period for which nuclear fuel can be allowed to remain safely within the reactors—has more than doubled since the station began operations and is expected to increase.

Performance

The company has postponed for another year any anniversary celebrations of the Queen's official opening of Calder Hall in 1956. By then it hopes to return to power the reactor which, for the past year, has been serving as a spent fuel reservoir for the station.

Because of the loss of its output, the company lost money for the first time last year on its electricity sales to the generating Boards.

The decision to shut the reactor—and thus spoil one of the best records of performance of any nuclear station in the world—was taken by Mr. Peter Mummery, general manager of Windscale and Calder works, at a time when there was growing national embarrassment about shortage of storage capacity for spent fuel emerging from Britain's nuclear stations.

Hauliers oppose accident charge

THE ROAD Haulage Association has affirmed its opposition to the proposal for a special charge on users of motor vehicles to cover the annual cost to the NHS of treatment to road accident victims.

In a letter to the Department of Health and Social Security Mr. Eric Russell, the association's secretary, describes the charge as "discriminatory" because, he says, no similar levy is imposed to meet the costs of hospital treatment after accidents in other industries.

U.K. air passengers up by 7.7%

By Michael Donne, Aerospace Correspondent

PASSENGER TRAFFIC through Britain's main airports continues to rise steadily, indicating that the recession in civil aviation is over and that from now on expansion is once again the keynote.

Figures issued by the British Airports Authority show that in September, passenger traffic at its seven airports (Heathrow, Gatwick, Prestwick, Stansted, Glasgow, Edinburgh and Aberdeen) rose by 7.7 per cent. over the corresponding month last year to reach over 3.5m.

At Heathrow it rose by 7.8 per cent to reach nearly 2.4m. passengers, while for the London area as a whole the figure was over 3m., a rise of 7.7 per cent.

This passenger traffic gain was achieved with only a 4 per cent. rise in the number of aircraft movements, indicating the increasing use of wide-bodied aircraft.

Some of the biggest increases in traffic were recorded at the Scottish airports owned and run by the authority—primarily because of the growth of the North Sea oil and gas industries.

Passenger traffic at Aberdeen, for example, rose by 13.4 per cent., to 77,800, with helicopter traffic rising by 38.1 per cent. to 16,400, and fixed-wing traffic rising by 8.4 per cent. to 61,400. Edinburgh and Prestwick also showed big gains.

Engineers try to stop direct labour plans

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

CIVIL ENGINEERING contractors are attempting to extract from the Conservative Party a commitment to repeal proposed legislation concerning local authority direct labour organisations.

The Federation of Civil Engineering Contractors, which a few days ago joined the growing campaign within the construction industry to stop Government plans to extend the activities of direct labour operations, is actively lobbying Opposition MPs for support.

First objective of the civil engineers is to stop the Government's proposals from becoming law but they feel that, if this proves impossible, local authorities and other public utilities maybe dissuaded from expanding their own building operations if they believe that a Conservative Government would severely restrict them.

The industry's main complaint about the expansion of direct labour forces is that they are not financially accountable in the same way as privately run businesses and, as such, have proved themselves to be extremely inefficient. Further, to expand their output at a time when the traditional contractor has difficulty in finding enough work to keep operations going is regarded as particularly insensitive.

Under the Government's plans, direct labour organisations—which are thought to account for up to 15 per cent. of the construction sector's total output would be empowered to undertake new building work for local authority within their county. In addition, they could work in new towns, in hospitals and in general improvement areas.

There will also be a provision in the proposed Bill that direct labour departments would at the request of the Secretary for the Environment, be able to carry out work for any client in the public or private sectors.

It is this last point which above all others has prompted the industry to describe the Bill as "backdoor nationalisation" and it is the potential provisions contained in the promised legislation which have given rise to most concern.

The civil engineers' anti-direct labour campaign is an indication of the industry's fears about the longer-term repercussions of present plans.

Much of the work undertaken by the civil engineers at the "heavier" end of the market has not yet been tackled by direct labour operations. Regional water authorities, for example, provide the civil engineering sector with numerous major contracts and there are distinct fears that this type of work would be kept "in house" if direct labour operations were allowed the expansion outlined by the Government.

The Indian parliament reassembles to-day to debate constitutional changes.

Mrs. Gandhi cuts judges' power

By K. K. SHARMA, New Delhi Correspondent

WEEK before to-day's of the Indian Parlia- special session to consider a Constitution Amend- it saw the most spirited spoken comments on the most controversial ace the state of emer- as proclaimed in June of

journalists, indepen- prominent public men opposition parties to severely the proposed on overhaul which enhance greatly the the executive and of it, and to reduce those iciary.

ghlight of the week was seminar organised by nal Committee for the of the Constitution. In hall, with people crowd- side and almost climbing other, a large gather- all of the speakers that the amendments warranted. The tone was a former Attorney- the nationally respected Daphtary, who said that e intention of the execu- ke recourse to Draconian n, the forerunner of he said, the Mainten- Internal Security Act under which thousands n jailed without trial. rs regretted that the "national debate" had rialised. That was not e. The fact that they semble to denounce the bill and see their printed in the news- he next day is evidence Indira Gandhi's Govern-ment placed no hurdles in the way of a public discussion. The bill itself was ready a couple of months ago. Had the Government wished, it could have been rushed through Parliament.

Few may like the bill, but in fairness to Mrs. Gandhi it must be said that she has not blocked discussion. It is another matter that the ruling Congress party and its leaders have gained more publicity for their defence of the bill. While the opposition-sponsored seminar was in progress, a parallel conference was being held in the same building by the Congress in support of the proposed changes. But while the hall in which the opposition-sponsored seminar was held was packed, attendance at the Congress meeting was conspiciously sparse. It will be the other way around in the two houses of Parliament. The ruling Congress has more than the requisite two-thirds majority to have the constitution bill passed and unless, which is unlikely, there are last minute second thoughts, it is certain to go through by the middle of November.

The bill has 59 clauses which makes it what an opposition member said was a "mini-constitution." Once it has gone through, as Mr. Daphtary put it, the present constitution will have become unrecognisable.

Mr. Swaran Singh, a former defence minister who headed the Congress committee on whose recommendations the bill has been framed, has been arguing that the basic structure of the constitution will remain unaltered, while the Congress president, Mr. D. K. Barooah, has defended the restrictions to be placed on the courts by saying they should not be allowed to function as the "third house of Parliament."

The opposition contests both these points. In their view the basic constitutional structure is its republican form of government, the fundamental rights and the right of judicial review. Anything that impinges upon these would run counter to the constitution.

An opposition statement charges that constitutional changes proposed will arbitrarily strengthen the executive

In sum the opposition argument is that by asserting the supremacy of Parliament, the constitutional changes will arrogate to it a supremacy that really belongs to the people. For all practical purposes the fundamental rights will vanish with the bill, it says. And it fears that the provision authorising a ban on "anti-national associations or organisations" will wipe out the opposition.

The opposition argues that the present Parliament has no right to alter the constitution drastically, since its mandate expired with the five-year term that ended last February, and that it is living on borrowed time after having extended its own life by a year. At any rate, the opposition says, Congress did not win the last election on the basis of the proposed constitutional changes. Hence it demands that "fair and free elections" be held with the constitution as the issue. There has been no official response to this yet.

Whether the other points raised by the opposition seminar will be dealt with remains to be seen since many of them are political rather than constitutional. For instance the opening paragraph of a "consensus" adopted by the opposition says: "There is in the country on account of the emergency a climate of oppression and fear in which no free and open debate is possible. Leaders of political parties and of public opinion are in goal, meetings have until recently been discouraged if not totally banned, and the Press effectively gagged. The denial of fundamental freedom of expression and of association, and the erosion of judicial processes have created a situation in which it is impossible for the people to know, discuss and understand the sweeping and drastic constitutional amendments proposed in their name, but certainly not to their benefit."

Although starting on a political note, the "consensus" goes on to constitutional issues. The most important of these are:

1—Fundamental rights are being reduced to secondary importance and the directive principles are being given priority over them to the extent that legislation giving effect to the directive principles cannot be challenged. 2—The provision for banning "anti-national organisations" paves the way for virtual one party rule. 3—By eliminating the checks and balances of the constitution the way is cleared for "the arbitrary exercise of executive authority to the detriment of the citizen." 4—Restrictions will be placed on the ability of the courts to review the constitutionality of any law and the power of the high courts is to be eliminated to issue writs. 5—The federal character of the constitution will be weakened by giving powers to the centre to deploy armed and police forces in any State without its consent.

The "consensus" concludes: "In each case power is transferred not just to the central executive, but to the chief executive, namely the Prime Minister, who emerges all powerful and above the law. Such an enormous accretion of power in the hands of a single person is dangerous and liable to misuse. In view of the recent experience of the arbitrary exercise of authority such a total concentration of power cannot be regarded as innocent or accidental and would spell the end of individual liberty and democratic institutions which millions of Indians have unitedly struggled to win and uphold."

In the parallel conference in the same building Mr. Swaran Singh did in fact offer to the opposition to "discuss the doubts aired by them." He pointed out that the Congress had tried to explore the possibility of "a real national debate" on the proposed amendments. Mr. Swaran Singh pointed out that many opposition parties had not accepted the invitation for a discussion and adopted what he called "an attitude of non-co-operation."

Yet doubts about the amendments have been raised publicly and it will be the difficult task of Mrs. Gandhi and her Cabinet colleagues to justify them during the parliamentary debate.

The Executive's and Office World

EDITED BY JOHN ELLIOTT

Diversification by the clearing banks has greatly increased managerial job opportunities. However, **Sue Cameron** suggests that paternalistic traditions continue to inhibit choice.

Slow changes in bank career patterns

THE CAREER paths of top managers in the banking industry are undergoing a slow but certain metamorphosis. The mergers that led to the creation of the Big Four clearing banks and their expansion into new *financial* fields mean that there are now far wider opportunities for management development than in the days when no-one ever dreamed of venturing outside mainstream branch banking.

But career patterns in the major banks are still severely limited by the paternalistic attitudes towards staff to be found in Lloyds, the Midland, National Westminster, and Barclays. All four banks believe that they know best when it comes to appointments or promotions and for this reason managerial vacancies are never advertised. *As a result individuals* cannot take full advantage of the new range of jobs that has become available because they *rarely hear about them* and, even when they do, they are not allowed to apply for them.

Advertised

Last year the National Union of Bank Employees decided to press for all posts to be internally advertised. Mr. Leif Mills, general secretary of the union, says that job opportunities in the banks have improved considerably in the past few years because of diversification but he adds characteristically that as far as staffing policies are concerned the banks are "now *rapidly moving into the 19th* century."

The Big Four employ about 191,000 people in mainstream banking in the U.K. A further 51,000 are employed in the ancillary services, including all overseas divisions. Approximately 60 per cent. of the total workforce is female and turnover among female staff is high. *Many women leave their bank* jobs by the age of 25 in order to rear families and only a tiny percentage of women reaches managerial level.

Altogether there are about 13,000 managerial posts in the main clearing banks, excluding junior managerial positions. The majority of managers is still to be found in the branch banks *although the balance between* staff employed in branch banking and those in the subsidiary services is slowly beginning to shift.

Twenty years ago bright *young men on their way up the* banking career ladder would progress from managing a small branch to a slightly larger one and then maybe to a busy City bank or to a post in head office. Their business was lending *money and they were required* to build up a highly detailed knowledge of all aspects of branch work. Postings outside the branch network were regarded as time-wasting interludes.

But the bank mergers in the 1960s meant that specialist departments such as personnel, marketing, and public relations had to be enlarged and given greater status. At the same time the Big Four began to diversify into factoring, insurance, leasing, merchant banking, and credit cards. Data processing became more sophisticated as the use of computers increased and international banking was further developed. Much of the work that had formerly been done in head offices was devolved to new regional offices.

At first outsiders were brought in to head ancillary services because the banks did not have the necessary expertise or experience among their existing staff members. But all the banks believe in growing their own "timber." And they have now started to transfer people between branch banking and the new specialised divisions.

The Big Four reckon that this will not only widen managers' horizons and give them greater job satisfaction but will also *benefit customers. For bank* managers to-day cannot hope to acquire the same intimate understanding of branch work as in the past — systems can change radically in a matter of months—and in any case what is now required is a more superficial but far wider knowledge of financial affairs.

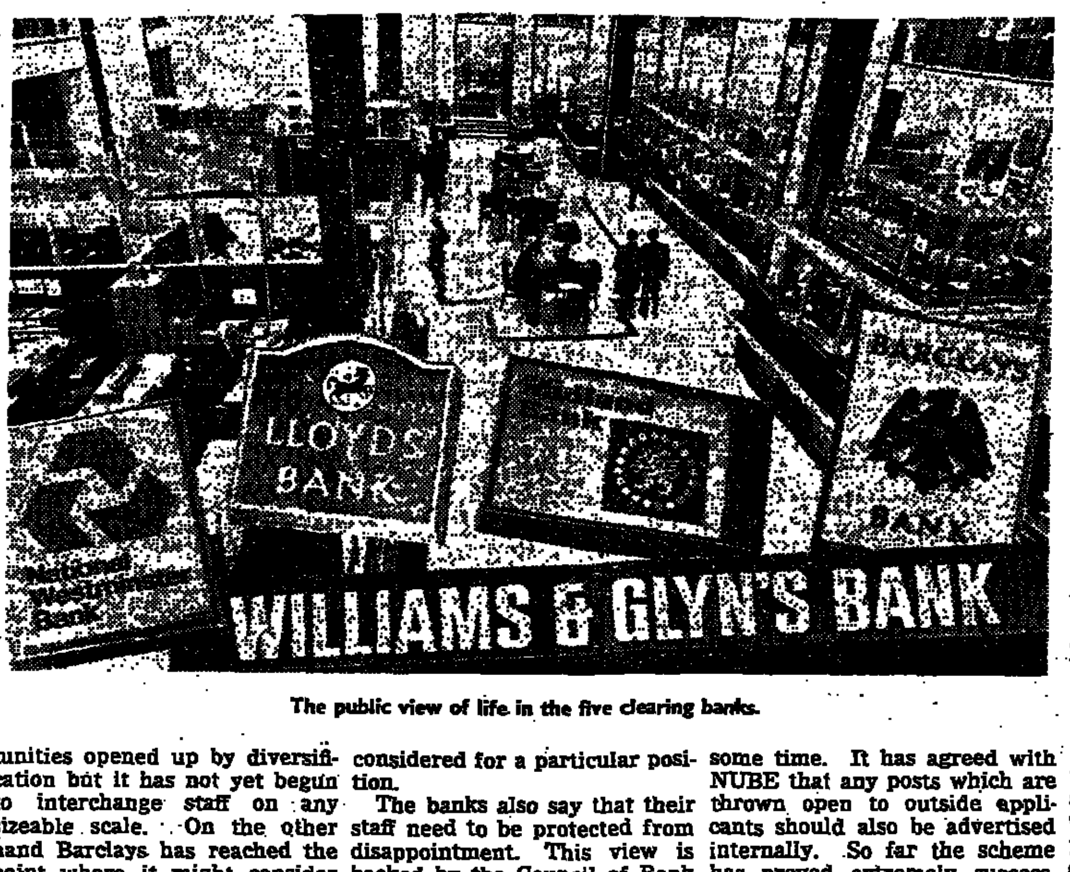
Old style banking skills will *always be essential for* all levels of management but in future senior people will have to rely much more *heavily on general managerial* skills such as judgment and the ability to deal with people. More varied experience will undoubtedly help the development of these qualities.

All the banks are proceeding cautiously with the introduction of transfers between mainstream and ancillary services although some are further ahead than others. The Midland is alive to the career opportunities opened up by diversification but it has not yet begun to interchange staff on any sizeable scale. On the other hand Barclays has reached the point where it might consider putting a *staff specialist*, such as a chartered accountant, into a pure banking job. Barclays admits that this has not hap*pened yet, but says it could* easily do so if it were warranted by circumstances.

Yet although bank staff now have the chance to enter fields that would once have been closed to them, they still have *far less control over the direc*tion of their careers than managers elsewhere. The main reason for this is that they cannot openly apply for a particular post in either the branches or the ancillary services, no matter how much it appeals to them or how suited they may be for it. The rule is that the banks, in their wisdom, always know best about which people should be in which jobs. When the time is deemed ripe, staff are simply sent to new *posts*.

This procedure is defended by the banks on a number of grounds. It is pointed out that all managers are given appraisal interviews every year at which they have the chance to indicate *job preferences. In addition to* this, employees are said usually to find out about vacant posts through the grapevine and they can then tell their superiors that they would like to be considered for a particular position.

The banks also say that their staff need to be protected from disappointment. This view is backed by the Council of Bank *Staff Associations although* Mr. Wilf Aspinall, secretary of the Council, admits that some of his members have started demand*ing that all posts should be* internally advertised.



The public view of life in the five clearing banks.

Demoralised

The banks themselves claim that if people were allowed to apply for jobs and then failed to get them they would become demoralised—though why bankers should feel rejection more keenly than managers in other fields is never made clear. They do not appear to be lacking in horse sense, either: yet the banks say that if staff were left to their own devices they would probably apply for unsuitable jobs without having *much idea of what would be* involved.

Finally, it is claimed that open competition would take far too long, that eligible people are never overlooked, and that mistaken appointments are virtually unknown. But despite this formidable list of arguments in favour of the present system, there is a small body of evidence that seems to point in the opposite direction.

Williams and Glyn's, the smallest of the main clearing banks, has been advertising certain specialist positions for some time. It has agreed with NUBE that any posts which are thrown open to outside applicants should also be advertised internally. So far the scheme has proved *extremely* successful.

Mr. Terry Lyons, personnel director of Williams and Glyn's, says that a number of jobs have *been filled from within* as a result of circularising staff about vacancies in specialist fields. Sometimes advertisements have been answered by bankers with qualifications or interests that Williams and Glyn's had not previously known about.

On one occasion four bank staff who had once qualified as teachers came forward to apply for a vacancy in the training department. Mr. Lyons says it is surprising how often someone inside the bank turns out to have a hobby, a degree, or a night-school diploma that is relevant to work done by *ancillary departments. Once* these people have been identified the bank can save itself the trouble of importing expertise from outside, and at the same time career patterns among the staff became that much more flexible.

But at present Williams and Glyn's has no intention of extending the advertising scheme to mainstream banking jobs. It says many managers are carefully groomed to take over senior posts and it would therefore be hypocritical to invite applications for top jobs.

The existing system in the clearing banks means that staff never know whether they have even been considered for a particular promotion—which can cause frustration.

To-day all the banks have a *fast promotion stream and those* who are picked out as high flyers stand an excellent chance of being seconded for a couple of years to at least one of the ancillary departments. Other managers with slightly less *potential may also be given* postings outside mainstream banking; but unlike the elite they can never be sure that these jobs will not prove to be backwaters. Staff at Lloyds report that a manager who is told he is going to a specialist division for a year and then finds he is still there after 18 months becomes worried that *he will be left there for good* with no chance of rising higher.

Rarely move

The fact that staff rarely move from one clearing bank to another means that a manager who thinks *his* career is not progressing the way it should cannot normally remedy the situation by applying for a better job elsewhere. The clearing banks and their employees all say there is no ban on staff moving from one bank to another but they add that it hardly ever happens. There is also a strong suggestion that it *would be assumed that anyone* who does try to move must have been found wanting by his previous employers. In general it is mainly at Board level that there is any interchange between banks.

If all vacancies were openly advertised there would probably be far more interchange between banks than there is *now. But Mr. Mills says that* at present the members of his union are more concerned about the scope for job movement *within* each of the clearing banks. "It is part and parcel of modern banking that all positions should be advertised and to my mind it can only be a question of time before this is accepted by the big banks," he says. "There is already a certain amount of interchange between departments in the clearing banks but at managerial level there *is still not enough.* We want more openness all round—more advertising and more job movement. At the moment there is an underutilisation of talent in banking."

ACCOUNTANCY SALARIES

Attractions of public service

PUBLIC SERVICE can offer accountants far higher financial rewards than can the professions, according to a report *published* to-day. It shows that some jobs in local government can command salaries almost one-third greater than equivalent jobs in the private sector.

The report, prepared by Accountancy Personnel, an em*ployment agency*, also states that the number of newly qualified accountants moving into industry has fallen, but that there has been a *sizeable rise in the* number of graduates seeking to enter the accountancy profession. In addition, the report says that the traditional gap between salary levels in the accountancy and legal profes*sions* has narrowed over the past year.

The divergence between public and private sector salaries *for accountants is* attributed to the fixed incremental scales existing in the former. This means people working in that area have been *able* to profit by the raising of their salary level and by personal increments. Incremental scales, with few exceptions, do not exist in the *professions*.

Highlighting this point, the report refers to public sector jobs advertised in recent weeks and compares salaries offered with the pay available for the equivalent job in the private sector. For example, a senior auditor post with the London Borough of Ealing was advertised at between £5,286 and £5.589, while the private sector could counter with only £4,000 to £4,500. Wandsworth and East Merton Teaching District advertised for a senior assistant district treasurer at between £6,456 and £7,797—considerably more than the £5,000 to £5,500 which an equivalent private sector job would pay.

Despite this position, the report says that the "popularity of accountancy as a career shows no signs of diminishing." Plenty of enquiries were received by all types of accountancy practices last summer. And although this situation implied an employers' market, starting salaries in accountancy firms were up by *an overall 10 per cent. on the* previous year.

Graduates

University graduates "besieged" the large accountancy *practices this year*, says the report. Starting salaries for students entering training contracts for four years after taking a foundation course at university, were between £1,750 and £1,900 in London and between £950 and £1,100 in Cardiff, with other provincial cities such as Birmingham, Manchester, Leeds, and Leicester falling somewhere *in between*.

Salaries offered in London to a newly qualified accountant range from £3,750 to £4,000 with a small firm to £4,000 to £4,250 in a large firm where the accountant would normally also have a degree. Corresponding ranges in Leices-ter would be £2,800 to £ and £3,400 *to* £3,700.

The report says that movement of newly-qual accountants out of the pr sion has been severely curt by the requirement that if wish to qualify for a pract certificate they must stay in profession for at least two y It suggests that this is l to lead to a jump in salarie this category once ind realises that the supply of r qualified accountants is d up.

At present, a newly qua accountant leaving the pr sion to go into industry v start at between £4,000 £4,500 in a small company if a graduate between £4,50 £5,000 in a large company. Birmingham, the ranges v be between £3,200 to £3,60 £3,750 to £4,500, but in C *the range falls to between* £ and £3,500 and £3,400 £4,000.

Not buoyant

Turning to earnings of ners of accountancy firms, report says that the leve professional fee charging not been particularly buo *during* 1975-76 and salaries thus not risen by more than haps 10 per cent. But it is pointed out that very few ners work on a salaried basi as long as ten years in a more normal practice b profit-sharing after a shorter period.

A newly-appointed partne London would earn betv *£5,000 and £7,500 and, £10* plus after ten years. The lo ranges are in Leicester Cardiff, starting salaries b £4,000-plus in both cities w newly appointed and £5,000- for a partner of ten years' st ing. The figures relate t firm where there are one three partners. A firm in l don of more than ten part *would start a partner* off £7,500-plus, while betw £12,500 and £15,000 would the levels with ten years' p nership.

Graduates have not been couraged by the low start salaries offered by the legal p fession and the numbers mov into the law are described "impressive." Someone wit degree *beginning articles* summer would start at betw £1,800 and £2,000 in Lon and between £1,000 and £1 in Birmingham.

On qualification, a ne admitted solicitor in Lon could expect between £4,000 £4,250 in the profess between £4,250 and £4,500 industry and between £4,800 £5,000 in local government. Birmingham and Manche the ranges are less for the p fession and industry, but l government salaries hold up between £4,250 and £4,550 Birmingham and Mancheste

Survey of Salaries Accountancy and Law, Acc tancy Personnel, 63-65 M gate, London EC2R 6BH.

Nicholas Les

Executives quit U.K.

DEMAND FOR British executives is increasing far more rapidly overseas than at home according to a survey carried *out by MSL Group International*, a management selection consultancy.

The survey is based on an analysis of recruitment advertisements in the British Press and it shows that the demand for U.K. executives abroad has gone up by 50 per cent. in the last year. In the same period demand rose by only 14 per cent. in Britain.

The majority of vacancies overseas was in the Middle East or Africa and it was found that engineers were the people most in demand. Over a quarter of all overseas executive jobs were advertised by British companies.

Mr. Garry Long, the MSL Group's deputy managing director, says the figures show that overseas industries are siphoning off a considerable part of the executive and technical resources which might *otherwise be employed in the* U.K. And he believes that British employers will be reluctant to recruit more executives at home until the beginning of next year despite an upsurge in business.

"The large increase in the loss of management talent from the U.K. is a matter for serious concern," Mr. Long says. "It *reflects two outstanding facts*— first that Britain is the world's cheapest source of high quality executives and second that more and more British executives are ready and willing to take overseas posts because of dissatisfaction with their rewards and conditions in Britain.

"*Most of the executives going* to work abroad, whether on short term contracts or as permanent emigrants, have lost any conviction that they will be able to regain their former standard of living by remaining in the U.K. or even retain their present one."

Business books

The World in Figures. The Economist. £16.75. This reference book is a mine of statistical information on the world's 200-plus countries, including growth rate tables.

Wheldon's Business Statistics, by G. L. Thirkettle. Macdonald and Evans, £2. Intended as a study of the statistical methods used in business to-day, the book lays emphasis on applied statistics, rather than being a theoretical treatment of the principles of statistics.

The anatomy of decisions, by *P. G. Moore and H. Thomas*, Penguin Books, £1.25. Examples from business and industry, both private and public, are used to illustrate wide ranging problems which can be solved by decision analysis.

EDITED BY JO… ACCOUNTANCY SA… Attracti… public se…

HOME NEWS

[F]rigg field development [n]ow ahead of schedule

[B]Y [...] DAFTER, ENERGY CORRESPONDENT

[DEVELO]PMENT WORK on the [F]rigg gas field in the [North Sea] has moved ahead of its schedule. As a result, [the Bri]tish Gas Corporation [will re]ceive a big boost to its [supplies] well before the winter [...]

[...]ge, as operator for the [...] partners in the ven[ture] [...] that the unprecedented [...]ther this summer had [...]e work to move ahead [...]e by several weeks. It [is] hoped that production [from the] Anglo-Norwegian field [will sta]rt in early autumn next [...]

[...] Gas is not committing [sup]plies to new industrial [and com]mercial contracts until [...] of 1978. Frigg's out[put there]fore, will act as a [buf]fer during next year's [...]er demand.

[The fie]ld, which is virtually [split b]y the Anglo-Norwegian [...]ne, is the largest gas [...] in the North Sea. [...]ble reserves are esti[mated to] be 8 trillion (million [million c]ubic feet. When output [reaches it]s peak of about 1.5bn. [cubic fe]et a day, it will be increasing the British gas industry's supplies by nearly a third, saving the country around £300m. on the balance of payments annually.

Frigg was originally due to be on stream in July this year. Progress was hampered by a number of problems, in particular the sinking of a drilling platform away from its earmarked site. The damaged structure is still lying on the seabed, its upper sections just poking above the waves. The operators will probably decide next year what to do with the wreck.

Accident

As a result of that accident a concrete manifold platform has had to be adapted for the drilling work. Elf reported that no special problems have been encountered, although a small drilling rig was needed to bore holes through concrete sections to accommodate production well casings. The drilling of the first production well is expected to start before the end of the year

Five platforms have now been positioned, four of them in the U.K. sector, while the remaining treatment and compression platform is due to be delivered from Norway next summer. The laying of the two 223-mile pipelines, from Frigg to the Scottish land terminal and to St. Fergus, is also nearly finished.

The field has been developed on the assumption that it is equally split between the Norwegian and U.K. sectors. Total Oil Marine is the operator of the British Association which comprises: Total (33.33 per cent.); Elf Oil Exploration and Production (44.45 per cent.); Aquitaine Oil (22.22 per cent.). The Norwegian group comprises: Elf Norge (27.6 per cent.): Aquitaine Norge (13.8 per cent.); Norsk Hydro (32.9 per cent.); Tom Norske (20.7 per cent.); Statoil (5 per cent.).

The shareholding in the field as a whole will be influenced by a unitisation study which is expected to be completed later this year. That should show how much of the field lies within British waters.

Gloomy Treasury forecasts likely on jobs prospect

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

NEW TREASURY forecasts—with October unemployment figures due to be announced to-morrow—are likely to show a downgrading both of expectations about economic growth and of prospects for the jobless.

There had been hopes until the recent monetary squeeze and rise in interest rates that unemployment would soon reach its peak, levelling off, and perhaps even starting to drop before the end of this year.

It was pointed out in Whitehall, for example, that while the adult seasonally-adjusted total of wholly-unemployed still rose by 9,900 in September to a new post-war peak of 1.32m.—or 5.6 per cent. of the workforce — the rate of increase in recent months had not been so high as earlier in the year.

There was also encouragement from the rise in vacancies for the eighth successive month as well as from the rise in overtime shown by the Department of Employment statistics.

Although there has been no change in the official view yet, the prospects now look much more uncertain.

The new National Income Forecasts, which should become available within the Treasury this week, are likely to show both a much lower rate of economic growth than was envisaged in July, and hence also a much slimmer chance of any significant reduction in unemployment over the next 18 months.

It is still possible that the unemployment total may decline in the next few months, but virtually all economists outside Whitehall are expecting only a small drop at best, and a levelling-out at the present level may be the most optimistic hope.

Some commentators have suggested that the jobless total could still have some way to rise from the present level.

FT survey of consumer confidence Page 31

[Fo]reign car groups trim [pro]fit to boost sales

[BY ...] DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

[AN ANA]LYSIS of foreign [dis]tribution companies in [...] published to-day, sug[gests that] as a group, they have [...]ing market share at the [expense] of current profits.

[The su]rvey shows that in the [three fi]nancial years between [...] and 1974-75 average [p]rofits before tax of the [...]g importing companies [fell from] £636,000 to £402,000.

[At the] same time profits as a [percentag]e of total assets fell [from ... p]er cent. to 2.7 per cent. [and from] 5.9 per cent. to 1 per [cent. as] a percentage of total [sales.]

[The re]port, prepared by Inter [Company] Comparisons, covers [...] cars, commercial [vehicles] and motor-cycles.

[It shows] that the fastest sales [growth to]ok place in commercial [vehicles] and motor cycles but [the] highest profitability was [among s]pecialist passenger car [and m]otor-cycle companies. [...] sales grew by 37 per [cent. over] the three-year period.

[Volkswa]gen topped the sales [league am]ong the importers with a turnover, including subsidiaries, of £104m. in the 1974-75 financial year.

Second was Renault, with sales of £63m., third Datsun, with £57m., and fourth Fiat, with £54m. Volvo Concessionaires, which had the next highest sales at £36m., also had the best profit on sales performance with a ratio of almost 7 per cent.

Volvo's profit for the year was £2.5m., second only to Volkswagen's £4.1m. Datsun made a £2m. profit but Fiat, Citroen and BMW lost money.

Foreign Vehicle Distributors. ICC Business Ratios, 81, City Road, London, EC1Y 1BD. £36.

Leyland switches Clancy

BRITISH LEYLAND has filled from inside the group the vacancy at the head of its service and parts division caused by the departure of Mr. John Egan to Massey Ferguson.

The new director of the division, a section within Leyland Cars, is Mr. Jerry Clancy, who has been director of finance, planning and control at the truck and bus group for four-and-a-half years.

Mr. Clancy, 41, is one of the large number of ex-Ford employees who now have top positions within Leyland.

Buildings hit by drought

ANXIETY WAS expressed yesterday on whether present building standards were adequate to meet problems caused by exceptionally dry weather.

The Royal Institution of Chartered Surveyors said an inquiry showed that an unprecedented number of buildings appeared to have become affected by subsidence after two years of unusually low rainfall.

Although few buldings had become structurally dangerous there had been some significant damage, especially on clay subsoils.

White rum sales decline by more than 10%

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE DECLINE in sales of white rum this year is highlighted in the latest Customs and Excise statistics.

These show that clearances from bond of all types of rum fell by more than 10.5 per cent. during the first eight months this year compared with last year.

There is no doubt that this mainly reflects the slump in sales of white rum after some years of rapid growth—in certain years sales rose 40 per cent.

But last year sales were static. The drinks trade believes white rum has suffered because of its high price—compared with most other spirits—and because it is usually mixed with quite costly soft drinks like cola.

In the event, total rum sales for the first eight months of this year were 1.5m. gallons, still slightly ahead of brandy which has also suffered from its high price and saw clearances from bond of 1.1m. gallons in the January-August period. This was 5.5 per cent. below the 1975 total for the same months.

Clearances of Scotch over the period fell 3.3 per cent. to 8.4m. gallons, while those for immature spirits—chiefly gin and vodka—were up 1.76 per cent. to 4.3m. gallons, reflecting the success of vodka in particular.

Vodka is doing well because it is comparatively cheap, and fashionable and it mixes with a wide variety of soft drinks.

Canal work will cost £106,000

THE CALDON Canal, North Staffordshire, is to be restored at a cost of £106,000. The British Waterways Board is to meet three-quarters of the cost and Staffordshire County Council and Staffordshire Moorlands Council will pay the rest.

LABOUR NEWS

Unions fear jobs threat in local government cuts

BY DAVID CHURCHILL, LABOUR STAFF

NEARLY 50,000 local government posts are unfilled, and 70,000 more could be lost in the next two years, because of the Government's drive to cut public expenditure.

These figures emerged yesterday from a preliminary survey of branches of the National and Local Government Officers' Association, the largest public sector union, and from a confidential memorandum by local authority chiefs on the manpower effects of the spending cuts.

These figures are likely to be raised by the TUC Local Government Committee when they meet Mr Peter Shore, the Environment Secretary, later this week to discuss the Government's plans for the Rate Support Grant. Union leaders fear that unless further Government help is forthcoming, more drastic cuts in local authority expenditure will follow, with direct effects on manpower.

The NALGO survey, which will form part of the report to its special recalled conference in January, was described yesterday as "shocking" by Mr. Jack Bradburn, chairman of the union's Local Government Committee. The survey was returned by 441 NALGO branches, about an 83 per cent. response rate, who indicated that staffing levels were down by 39,137. NALGO estimates that this figure would be nearer 50,000 if the sample was extrapolated to cover all branches.

Mr. Bradburn said yesterday that the union had warned the Government for the past 18 months that local authority services were coming under increasing strain by staff shortages. "Now we have the figures and we are seriously disturbed," he added.

According to the memorandum from the local authority associations, present plans to cut spending, outlined in a White Paper earlier this year, will mean almost 17,000 jobs lost in the next few years. The memo says that even quite small cuts in spending in the next two years —2½ per cent. next year and 5 per cent. in 1978-79—will mean a loss of nearly 70,000 jobs.

But the association's figures, which are only preliminary estimates, reveal that 9,000 of the 70,000 jobs lost would come from direct redundancies, the rest from not replacing staff who leave.

Further cuts of 2½ per cent. next year will be basically borne by education departments, which will cut their planned numbers of new teachers by 11,900. About 9,300 fewer policemen, firemen, and school crossing patrol staff would also result.

In 1978-79 cuts of 5 per cent. would mean 14,500 fewer teachers and nearly 6,000 fewer police, fire, and road safety staff.

Talks to-day on Babcock site strike

NEW TALKS to end the four-month-old strike which has halted construction of the Isle of Grain power station in Kent will be held to-day between national union officials and representatives of the site contractors, Babcock and Wilcox.

They will cover new productivity and manning levels at the site after the contractors claimed these are too low.

About 1,000 environmental health officers, many of them members of the National and Local Government Officers' Association, are to lobby MPs to-day in protest at new EEC regulations requiring vets to supervise their work. NALGO said the present regulations were unnecessary as British environmental health officers already cover vet's duties.

Textile union leaders are to seek top-level talks this week with Courtauld management and Government Ministers over the company's plans to close four plants employing over 3,000 people. At one plant, at Aintree, Liverpool, shop stewards saw Mr. Eric Heffer, MP, over the week-end.

Companies 'ignore Bill ending sex inequality'

FEW OF BRITAIN's major companies are complying with the new sex discrimination laws claims a survey published to-day by the Equal Pay and Opportunity Campaign.

The survey, which covered 40 of the largest industrial and commercial companies, found that less than one in four had made any changes at all in the areas of training, promotion or fringe benefits for women as a result of the Act, now some ten months old.

Only a third of companies surveyed were conducting any kind of monitoring operation that would enable them to know whether their practices were discriminatory, claims the survey. And more than half the companies were said to believe that nothing else needed to be done to ensure equality.

The only area where the survey found any substantial change by employers was in job advertising and recruitment procedures where discrimination was less apparent.

The organisation which carried out the survey represents about 60 people in industry and unions who have formed a pressure group to campaign for sex equality. A similar survey carried out last year by the group found that none of the companies questioned had any official policy towards sex equality.

Chemical war station protest

MINISTRY OF DEFENCE plans to rationalise the chemical warfare research station at Nancekuke, Cornwall, were strongly criticised yesterday by Civil Service unions.

The unions claim that the plans to close the station and transfer some of its functions to Porton Down, Wiltshire, raise problems of public safety and are likely to cost more than they save.

They say in a discussion paper being sent to the Ministry to-day that unless the Ministry provides new and expensive equipment at Porton Down, it would have to send toxic affluent by road through heavily-populated areas, to be treated by a company in Southampton before it could be dumped.

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MONDAY, OCTOBER 25, 1976

Sandilands revisited

NEARLY THREE years have passed since the Sandilands Committee on inflation accounting was set up. There was great concern at that time that companies were putting their own futures at risk because they were making decisions on dividends, wages, capital investment and other matters without taking account of inflation. There was general agreement that a new system which would indicate more clearly the effect of inflation on a company's affairs was a matter of urgency.

When the Committee reported in September 1975, it recommended that its Current Cost Accounting system should be adopted and that the initial standard should be mandatory for listed companies for accounting periods beginning not later than December, 1977. It has become clear in the last few months, however, that the conversion of the Sandilands proposals into generally accepted accounting standards has proved far more difficult than expected.

Disagreement

A steering group under Mr. Douglas Morpeth to supervise the necessary detailed work in preparation for the introduction of CCA accounting. The Morpeth group has now submitted its proposals to the Accounting Standards Committee and an exposure draft is due to be published at the end of next month. What had been hoped was that the contents of this draft would command general assent both within the accounting profession itself and in industry. Instead, there have been increasing signs of profound disagreement over certain aspects of the draft, which could mean that the publication of the document on November 30 will simply be the start of another prolonged public debate on the whole matter.

A key aspect of the argument is the treatment of monetary items: there has been much discussion within the Morpeth group over whether, and if so how, losses or gains from holding net monetary assets or liabilities should be taken into account in calculating a company's surplus for the year. Not surprisingly there is a conflict of view between the banks, which are holders of net monetary assets, and industrial companies, which are in general holders of net monetary liabilities.

Conflicting views on these and other matters are strongly held. The question arises, therefore, whether it would be feasible to introduce an accounting standard which would meet the main objectives of a realistic accounting system, but would defer certain less essential matters for fuller debate. One member of the Sandilands Committee, Professor Walter Reid, has recently urged that the initial standard to be published on November 30 should be simple and clear and that as far as possible disputed areas should be excluded. He argued against undue sophistication and called for a system which produces "meaningful numbers by an easily understood process."

Strong case

Clearly the hope must be that in the six months envisaged for discussion after November 30 agreement can be reached on the contentious matters so that comprehensive standards can be issued in the latter part of next year. This would mean a slippage of no more than six months in the Sandilands timetable.

Whether agreement can be reached on monetary items remains to be seen. Accounting standards are not matters on which patched-up compromises for the sake of speed are appropriate. But the case for a realistic and practical inflation accounting system is just as strong as it was three years ago, not least because of the continuing confusion in the minds of the public over the adequacy of corporate profits. Unless the accounting profession can resolve the remaining disagreements, there is a danger that published accounts will lose the definitive status which they have enjoyed up to now, and that the confusion of non-specialists about what profits are will be even greater.

The realities of the Geneva talks

To judge from the conflicting statements of the various delegations now assembling in Geneva, the conference on the future of Rhodesia looks set to break down even before it formally opens on Thursday. Mr. Ian Smith, the Rhodesian Prime Minister, claims that the six-point package of proposals for a two-tier interim Government and independence within two years, which he announced on September 24, is non-negotiable, and must be accepted or rejected in its entirety.

But African leaders who will be taking part in the conference deny ever having agreed on the six-point package, which emerged after Dr. Kissinger's talks in southern Africa, and reject outright some of the important elements in the proposals.

This difference of opinion may be the product of deliberate sleight-of-hand on the part of Dr. Kissinger—it certainly would not be the first time: or it may reflect the normal hardening of positions before a serious political negotiation. But in either case it underlines the extreme difficulty of reaching agreement in Geneva.

Six-point plan

Yet, despite all the sober grounds for anxiety over the prospects of the confrence, it is important not to lose sight of the fact that the agreement to hold the negotiation at all is an important milestone. For the first time the white Rhodesian régime has accepted the principle of a rapid move to majority rule, and, even if this conference should fail, the fact that the previously intransigent Rhodesia Front Government publicly accepted the six-point plan, cannot now be expunged from the consciousness of the white population.

Mr. Smith may wish the world to believe that he has already gone as far as he could reasonably be expected to go, in his September 24 statement: that the only purpose of the conference is to formalise the details of the six-point plan; and that if the black delegations behave "unreasonably" by asking for more, then he can return to Salisbury with his credit unimpaired.

It is even possible that he will, at some stage, come to believe that it is in his interest, and that of white Rhodesia, to engineer, or acquiesce in, the breakdown of the conference. But if he did not at this moment believe that the package represented the beginning of a negotiation, rather than its end, he would not now be in Geneva.

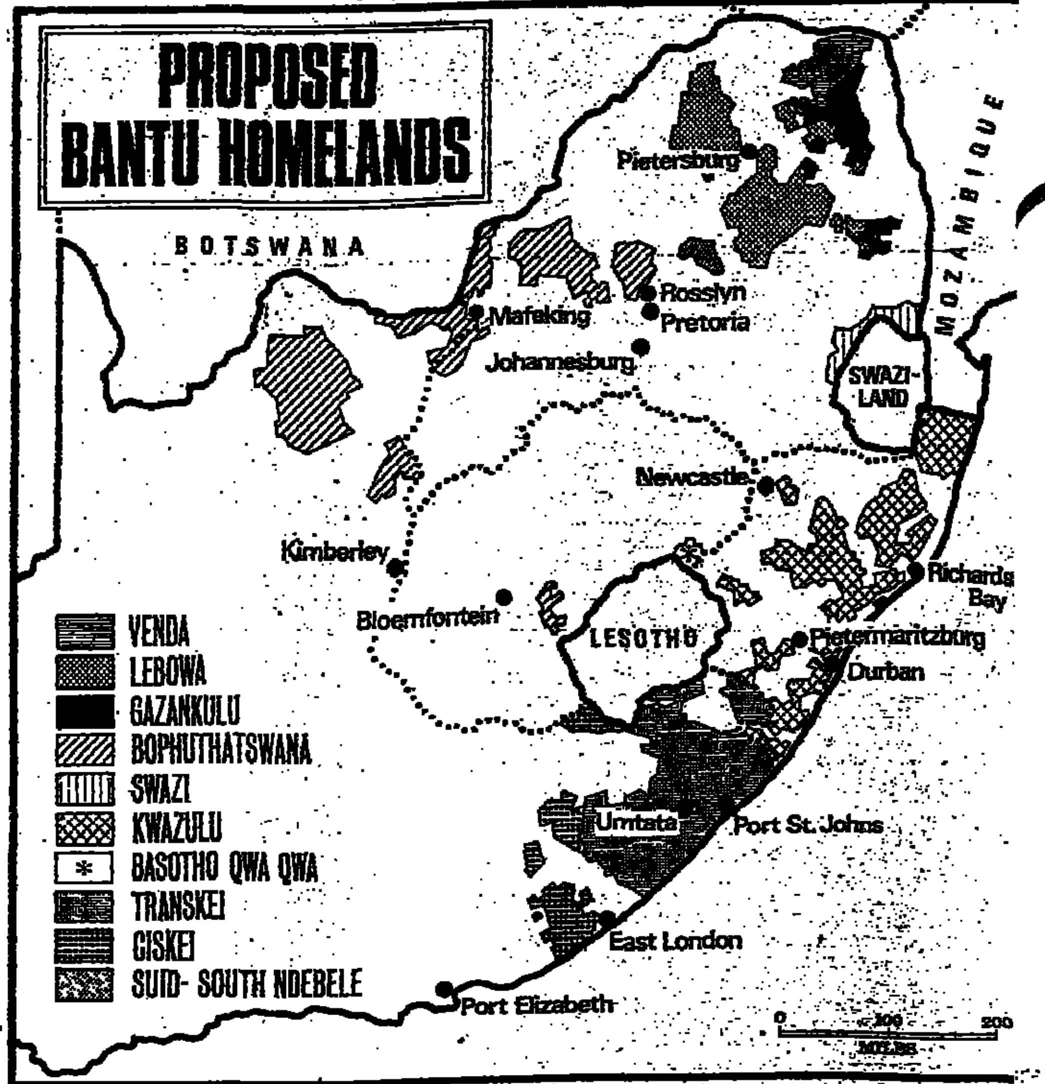
Mr. Smith should know that time is not on his side. His government has put it about that it expects to get renewed South African support if the black leaders block agreement in Geneva. But the warning on Friday by the South African Foreign Minister that the Rhodesians must grasp the chances of settlement now before them, or face possible disaster, points clearly in the other direction.

The black delegations are subject to conflicting pressures in Geneva. Their most powerful incentive for trying to make a success of the conference is that this would underpin their legitimacy as spokesmen for the black population, which must otherwise remain in some doubt. On the other hand, the fact that they are not united in a single delegation means that there may well be mutual competition in hardening their demands, if only to strengthen their positions with those guerillas who do not seek a compromise with Mr. Smith, but his capitulation.

These conflicting pressures may be reflected in the demand of Mr. Nkomo and Mr. Mugabe that Britain should impose decolonisation on Rhodesia. It is a demand which should be unequivocally rejected. The white and black Rhodesians now have a chance to come to terms with one another: that is the purpose of the conference. It is not up to Britain to pretend that UDI did not take place 11 years ago.

A new state will be born tonight. **Bridget Bloom** analyses fact and fiction about Transkei.

Independence but with a catch



TRANSKEI becomes an independent sovereign State at the stroke of midnight to-night. The event is to be celebrated in the now time-honoured African fashion: the old "colonial" flag will come down, and a new one will fly in its place. There will be a 101-gun salute, fireworks and feasting. Bonfires to alert the population to its new status will be lit from hill to hill.

But if anyone present in the normally sleepy capital of Umtata needs to be reminded that this is not just another African independence ceremony (in fact the 50th), all he will have to do is to look around him. On the latest available information, not a single one of Africa's other 49 Black States will be officially represented in Umtata. There will be no one there from the Organisation of African Unity, no goodwill messages from the United Nations Secretary General, and none from any of the major powers, east or west.

Without doubt, the Transkei's independence is the most controversial so far in Africa, and it is not hard to see why. The almost universal decision to boycott the independence celebrations, and quite probably to refrain from future recognition, has been easy to take for some States, including most in Africa, and much more problematical for others, particularly those in the West. Fundamentally, the decision to cold shoulder the Transkei has been taken because the independence of the territory sets the seal on apartheid, in an important symbolic if by no means physical final sense.

This is not of course how either the South African Government or the new black government in Transkei would express it. In the eyes of Pretoria, Transkei's independence is a positive act, the first concrete proof that white South Africa is prepared to dismember the Republic in the interests of "separate development."

Transkei has long been the show piece of South Africa's bantustan policy which itself is the lynch pin of separate development. Fashioned from straight apartheid into an ideology by Dr. Verwoerd, the late South African Prime Minister, the justification has all along been a simple one: that if black and white are to co-exist in South Africa, then conflict can only be avoided, and prosperity achieved for everyone, if the tribal and ethnic groups are given separate "homelands" in which to achieve sovereign independence. The logic of the ideology falters most obviously in the case of the 4m. whites who, despite the cultural and political divisions of Afrikaners and English, are considered as one nation and given 87 per cent. of the land area. (The coloureds or people of mixed race, as well as the Indians, have been difficult to fit into the ideology, for they have no obvious homelands which they can be allocated.) But the logic provides for the country's 16m. blacks, who are to have the remaining 13 per cent. of the land, divided into ten homelands.

It hardly needs stating that this ideology has been extensively criticised on the grounds that it is a transparent attempt by the whites to divide, and so rule, the black majority. The poverty and gross underdevelopment of all the homelands has also been widely remarked upon, together with the fact that their citizens, deprived of the means of livelihood at home and prevented by law from acquiring permanent rights elsewhere, have to travel (without their families) as migrant workers to the urban and industrial areas, which as it happens are all white.

Limited land

The apparent cynicism of the bantustan policy has been further underlined by the persistent refusal of the Government to transfer back to homeland ownership more than the limited amount of land which was set aside—under different policies—in 1913 and 1936, so that the homelands remain divided into many segments of territory. (While the Transkei is an exception, being now divided only into two, KwaZulu, for example, the homeland of which Chief Buthelezi is Chief Minister, is in more than 20 pieces.)

But perhaps what is most criticised, certainly at this time, is Pretoria's insistence that all South African blacks are citizens of one or other of the bantustans, whether or not they live there, or ever have been there. As long as an individual bantustan is not independent, its citizens also have South African nationality. But as from to-morrow, with Transkei's full independence, all Xhosa speaking people deemed to originate from the Transkei legally lose their right to South African citizenship. The bantustans are thus seen as an attempt by Pretoria ultimately to divest all black South Africans of their birthright.

For this reason, as much as for any other, the majority of the bantustan leaders have so far refused to seek independence. Apart from Chief Mantanzima, the Transkei leader, only one other bantustan leader, Chief Mangope of BophutaTswana, has said that he wants his territory to become independent, and even he may be waiting to see precisely how the Transkei develops.

Mantanzima's action has been bitterly resented by his fellow leaders. There has always been some puzzlement, at least in the outside world, as to his motives. Critics of the system have frequently labelled him a stooge (and with him the other leaders) for agreeing to work the bantustan policy at all. That however is certainly too glib and facile an explanation. In Mantanzima's case, a good deal can be explained by his own character—he has all the autocratic manners of the paramount chief he is, and he clearly likes power. His use of it seemed to become more arrogant the nearer he came to independence.

But he (and certainly some of the black civil servants and others who have gone back to be in an independent Tanskei) have also decided that the South African Government will allow no other form of political expression for blacks (as is amply proved by its attitude towards the urban unrest of the past few months). Therefore they feel there is nothing to be lost, and perhaps something to be gained, from taking what small opportunity exists to throw off, however imperfectly, the crushing human burden of apartheid.

Whether or not Mantanzima will do as he promises, and establish a non-racial State in the Transkei, the act of deciding to take independence has already had a human effect. In March of this year—in marked contrast to my first visit five years ago—I found Umtata and its black inhabitants newly confident, no longer shuffling and seemingly downtrodden. There were some material changes too. Two imposing new office blocks were going up, as were new houses: There is now a new airport, some more paved roads, at least in the two or three main towns, a Holiday Inn—and an impressive mansion for Chief Mantanzima.

Until very recently, no black was in a position of authority over a white in Transkei, even though the territory had had self-government since 1963, and the full rigour of apartheid, even down to segregation in hotels, cafes and lavatories, was in force. Now, although whites (of whom there are some 10,000 against 17,000 ten years ago) are still in many key administrative and business roles (including the head of the newly-created if still tiny army), there will be more jobs, at least for those educated Transkeians whose political views are acceptable to the new Government.

Whether the benefits will be spread much wider than the new elite is open to question. Official statistics, produced in Pretoria, purport to show a considerable increase in development expenditure, but there is very little sign of it on the spot. More jobs have been created in the still small Butterworth industrial area—but a target of some 2,800 new jobs this year must be set against an estimated 26,000 Transkeians looking for work.

In the rural areas, often of striking physical beauty, the overcrowding, soil erosion and poverty are marked, and as I discovered driving the length of the territory in March, there has been little change in five years. It would be difficult to find any other independent country in Africa, even the poorest, where there were fewer signs of attempted development, in terms of modernised agriculture, or new schools, clinics and the like. When travelling through the Transkei with its green and rounded hills dotted with huts and scarred by the ravines of erosion, it is hard to avoid thinking of a rural slum, and easy to see why nearly 50 per cent. of the population actually lives outside the territory.

It is difficult to see, despite the increased confidence among the few, how this situation can be basically changed in the future. In the likely absence of external recognition, South Africa will continue to bear almost all the costs of the Transkei. It already provides just over two-thirds of the recurrent budget, and what development finance there is. Even if the political will existed in Pretoria, sufficient money, given the current recession and increase of defence spending, is most unlikely to be forthcoming.

The independence of the Transkei may in the end cause as many problems for white South Africa as it solves. Cost is one element. Another is that Pretoria's boast that Transkei will be no more dependent upon South Africa than, say, Lesotho or Swaziland, will turn out to be even more hollow than it would have been had the territory hope of international recognition. The independence instruments confer all the normal powers of sovereignty on Transkei, including foreign affairs, defence, law and order, and so forth. But economically Transkei will continue to be irrevocably tied to the Republic, while diplomatically it is likely to have little opportunity either to establish its own Embassies or welcome those of others which might not be approved of by Pretoria. Few countries, in any case, are likely to wish to exchange diplomats with Transkei. Neither is it likely to get outside support even if, for example, Mantanzima were to continue to make a fuss (which has so far been totally without result) on the citizenship issue.

Opposition party

In another field, Transkei could prove embarrassing to its midwife. It is patently absurd for the Transkei Development Corporation (a body funded by South Africa) to claim, as it has done in advertisements in the British Press recently, that Transkei "has moved your (that is, the Westminster) Parliamentary system to our country, statute by statute." The Transkei opposition leader, and all the executive members of the Democratic Party, were jailed a few months ago under emergency regulations in force since 1960 which are being kept on by the new Government. Very few members of the DP, wh[…] has stoutly opposed indepe[…]ence, were thus able [to] run in the elections [in] September. What with [un]opposed seats, the govern[ing] party was assured of at le[ast] 45 of the 75 elective memb[ers] and all of the 75 seats filled [by] nomination. In the end [it] finished with 143 se[ats] altogether.

South Africa has been w[…] to claim—implying a cont[rast] with many another Afri[can] State—that Transkei's path [to] and establishment of in[de]pendence is and will be w[ell] ordered and peaceful. But opposition is there, and clearly likely to be kept at [bay] through autocratic not de[mo]cratic methods. It may or n[ot] not erupt: Transkei was [not] immune in the recent riots [in] South Africa as a whole.

From Pretoria's point [of] view, the most serious aspect [of] the Transkei's independence [is] that it is highly unlikely to c[…] the problem it has be[en] designed to solve: the probl[em] of the urban black, who, [as] recent events have shown, is [be]coming increasingly radical a[nd] increasingly unwilling to acce[pt] Pretoria's prescriptions for [the] future.

It is too early to tell wheth[er] BophutaTswana, or any oth[er] homeland, will follow Transke[i's] example and accept indep[en]dence. Decisions may depe[nd] partly on whether urban-dwe[ll]ing Transkei citizens are giv[en] privileges in the Republic—pa[ss]ports, for example, to make li[fe] easier than passbooks, or spec[ial] treatment in the allocation [of] houses.

But such measures in any ca[se] are only likely to be palliative, [of] no interest to the young blac[ks] who have recently been calli[ng] the tune in "white" Sou[th] Africa. They see the homelan[ds] simply as a device to mainta[in] white rule and deprive the A[fri]can of political and econo[mic] power, and they will have n[one] of the policy.

MEN AND MATTERS

Signor Peccei's other summit

Geneva (Rhodesia) and Cairo (Arab summit) are not the only major conferences assembling this week. Nor can they be said to be tackling the most intractable problems. In Algiers, a group of economists, scientists, planners and unspecified "men of goodwill" meet to-day under the auspices of the Club of Rome. Their job is "reshaping the international order"—a project code-named RIO.

That the Club of Rome, with no formal international status, should bother to attempt this is still largely the result of having achieved a first-time best-seller with *The Limits of Growth*. That report of 1972, produced at Massachusetts Institute of Technology and largely financed by the Volkswagen Foundation, scared enough people to sell several million copies in 30-odd languages and gain the Club formidable prestige or, in many cases, displeasure.

Having followed up with *Mankind at the Turning Point*, published last year the Club is now tackling something different. What lies behind the RIO project is the attempt to work out a new concept of the economic rights and duties of states, a task first undertaken by the Sixth Special Sesssion of the UN two years ago. It is the Third World which has principally sponsored a new concept of global responsibilities, and it was to give substance to this that Aurelio Peccei, founder and chairman of the Club of Rome, persuaded Nobel prize-winning economist Jan Tinbergen to study the problem.

Tinbergen's brief was to answer the question, "What new international order should be recommended to the world's statesmen and social groups so as to meet, to the extent practically possible, the urgent needs of to-day's population and the probable needs of future generations?"

For two years Tinbergen and 21 groups of experts have laboured over the problem and have come up with the 325-page RIO report, printed on recycled paper, which will form the basis for this week's discussions. It includes proposals ranging from the reform of the international monetary system to managing the oceans and much else in between.

The emphasis on "practical" proposals reflects the nature of the protagonists. Peccei, for example, is very much a man of the commercial world. He built up Fiat's Argentinian subsidiary, Fiat-Concord, into the largest industrial complex in Argentina, steered Olivetti through the painful disposal of its large computer operations in the early 1960s, and heads the Italconsult world-wide civil engineering concern.

Very Italian in the best humanistic tradition, he is also a convinced European, while fearing that Europe, with enormous cultural and human resources but short of raw materials, has no more than a decade to strengthen its relations with the developing world through technical, economic and social assistance.

Without this, he fears that the rich 5 per cent. of the world's population living in Europe will be increasingly exposed to the resentment of the poor but resource-rich Third World. Seen in this light, "reshaping the world order" is enlightened self-interest. But the more pessimistic voices at Algiers are expected to say that enlightenment is one of the world's scarcest resources.

Richard deflects expenses issue

In Geneva, where the first African nationalist leaders, Robert Mugabe and Joshua Nkomo, arrived yesterday, Ivor Richard and Ian Smith kept their own company following two meetings which, with nothing positive emerging from either, are being defined as strictly courtesy visits. One courtesy discussed was delegation costs and on this matter the British look like digging in their heels: we will pay for five first-class air tickets and four tourist class per delegation (or spread the money to cover 12 if everyone goes economy as Mugabe's team did) plus £50 a day for nine delegates (which covers a room plus two gin-and-tonics a day at the Beau Rivage or Intercontinental hotels where the British and African delegates are staying).

Smith wants Britain to pay the full costs of his delegation, which numbers more than 20, and Richard referred the matter to London. A formal reply may be expected this week. On Britain's intended share of costs, and with a conference not running beyond Christmas, the price will be about £250,000.

Richard should not be embarrassed by any of this preliminary skirmishing. One thing he is not short of is words, or the ability to think on his feet. He was a criminal lawyer, defending one of the Great Train Robbers on the way to becoming a QC in 1971; and he used to enjoy public debates outside Earls Court tube station in his early days as an MP, while being a frequent telly-pundit later.

It is now thought that Richard is less keen to return to Britain as an MP than he was when he first went to New York as Britain's U.N. Ambassador. His Barons Court seat had disappeared in the boundary changes and he lost Blyth to the Labour rebel Eddie Milne in the first of the 1974 elections. Appointed to the U.N. that March, Richard said he would like to get back to the House of Commons as soon as an opportunity was afforded. But after two years at the U.N., when he was named to preside over the conference on the establishment of an interim Rhodesian government, he was quick to stress that it should not require his leaving the U.N. permanently.

Not that he has delighted everyone there (or that there has not been some active rumour-mongering at home about his replacement). He has managed the unusual feat of being very tough with the Russian delegate on defence matters yet falling out with the American Right Wing (William Buckley used the word "pusillanimous"). That stems from his having struck the first blow which led to the departure of Daniel Patrick Moynihan as U.S. representative at the U.N. Richard accusing Moynihan of using bullying tactics with the Third World.

Richard was both young (41) and short of experience (just a year in office as Parliamentary Under-Secretary for the Army) when posted to the U.N. But the theory behind appointing him for Geneva looks sound enough: he has good relations with the African delegates at the U.N., and equally Rhodesian briefs on him note his reassuring, anti-Communism.

Bagged

A disaffected banker knocked on the door of the U.S. embassy in Prague and asked for passage to the West. "Can you," he inquired, "cache a small Czech?"

Observer

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FINANCIAL TIMES SURVEY

Monday October 25 1976

Brazil

Discussion of Brazil's future—economic, political and social—is raging as never before. The "never had it so good" days are over and the Government is being forced to rethink many of its basic development strategies and to formulate a new, more viable and balanced pattern of growth.

The big re-think

By HUGH O'SHAUGHNESSY, Latin America Correspondent

ER this month the Folha Paulo, one of the prin- daily newspapers in largest city, carried two es, one on top of the The first—quoting the s of Sr. Severo Gomes, nister of Industry and on the Brazilian develop- strategy — announced "The Model... can Underneath in equally ters the thoughts of Sr. Henrique Simonsen, the r of Finance, were re- "Not very much" the e said.

front page of the Folha ted graphically enough tent of the great debate is now going on in Gov- nt circles about the of the second largest y in the Western Hemi- With the fading of the omic miracle," discus- bout where Brazil goes raging with a freedom d of even five years ago. debate has already over from purely econo- nto social and political

Albeit within carefully ated guidelines and with e of limited but effective ship of the communica- media, all the targets and ves that were being d with such raucous mindedness by the ments of General Geisel's essors, General Costa e and General Médici, are reconsidered by General to Geisel and his supporters.

Gone are the days when with boundless and unthinking self-confidence the authorities poured out a stream of propaganda slogans: "No one can stop Brazil," "Brazil, love it or leave it." The Brazilian armed forces, who have been in control of Brazil since the coup d'état of 1964 and who only a few years ago appeared to have convinced themselves by their own assertions that their every policy was as good as it possibly could be, have woken from their dream and moved into a period of introspection.

The reasons for the new mood are not hard to find. Realisation that the period of rapid growth in GNP which the military had christened "the miracle" is ended has finally overtaken the world of Brazilian business.

Optimistic

This realisation came to Brazilian business—buoyed up as it then was by the continuing flow of optimistic statements from Brasilia—many months after it had become obvious to foreigners and critical observers within Brazil that the period of rapid growth was over, terminated by the oil price rise and the consequent balance of payments difficulties.

The very tough measures that the Government has had to take this year in an attempt to repair an ever more serious situation in the external sector of the economy have driven this realisation home powerfully. The advance deposits required for many imports, the prohibitive duties set on luxury items from abroad, the swingeing penalties imposed on those wishing to travel overseas for any but essential reasons and the increasingly intense "export or die" campaign have had their effect.

It should not come as too much of a shock to business if the Government, grappling with increased oil import prices, a multi-billion dollar trade deficit, a rate of inflation running at near 50 per cent. a year and a rapidly expanding foreign debt, were to put the brakes on the economy with even greater force than it has so far this year.

The realisation in Brazil that a big export effort and an unremitting campaign to borrow as much as possible from foreigners are not, of themselves, the golden keys to balanced development has led to a reconsideration of alternative economic strategies.

The thesis of Sr. Severo Gomes that much more must be done to increase the purchasing power of the vast potential market of 100m. people represented by Brazil's population is becoming more and more widely accepted as the difficulties mount in the external sector. It is significant that the UN Economic Commission for Latin America, which has as good a claim to the paternity or at least the propagation of the idea of developing the domestic market of the developing countries of Latin America, is not ridiculed to-day as it was last year in Government circles in Brazil.

And while last year it seemed that among all General Geisel's Ministers it was Sr. Gomes who was most isolated in the Cabinet and in most danger of losing his job, the political gossips are now forecasting that it is Sr. João Paulo dos Reis Velloso, the Planning Minister and the principal remaining defender of the idea of rapid growth at any price, who is closest to being relieved of his duties.

Doubts about the continuing viability of the present economic strategies, which were mapped out in the past decade by successive economic overlords, first Sr. Roberto Campos, then Prof. António Delfim Neto, and which have been followed through by Simonsen and Velloso, has prompted a debate about their effects.

Those who five years ago were pointing out that the sort of economic strategy chosen by the Brazilian armed forces was leading to a growing gap between rich and poor are no longer automatically labelled Communists, traitors or both. The facts of the situation are now so well established that they can scarcely be impugned.

The latest authoritative study, carried out under the sponsorship of Cardinal Arns, archbishop of São Paulo, and dealing especialy with the problems of growth and increasing poverty in that city shows, for instance, that if present income trends continue 60 per cent. of the population will be earning less than the minimum wage by the year 1980.

Anxieties about the social effects of the "miracle" have begun to be voiced even in those circles where in the past the benefits of the "miracle" were most staunchly defended.

In an editorial which criticised the poor nutritional standards of the young, the Conservative O Estado de São Paulo, the city's best known newspaper, said, "Every day one meets a great preoccupation everywhere about the volume of investments that will be needed in the next few years if in the medium-and long-term the progress of the country is not to be shut off."

"People discuss enthusiastically the amount of electricity which will have to be supplied to the Centre-South in 1981, there are careful studies on the supply of steel products in 1981, there are long debates about the volume of fertilisers and non-ferrous ores which the economy will demand in the next five or ten years. And people seem much of the time to forget the young people who in the next 15 or 18 years will be entering the labour market with the job of using all these material resources. To put it crudely, in terms of human capital Brazil is becoming a country where the machinery tends to be in a better state than a large proportion of the men."

There is no doubt that reflections such as these are giving much food for thought to the military and are prompting not a few officers to remember that if they seized power in 1964 in order to put an end to what they saw as bad government and a Leftward drift in the country, they did not ever want the sort of social situation that Brazil appears to have 12 years after the coup d'état.

This realisation has in its turn prompted the thought in the minds of some officers that the political structures of Brazil are in a very primitive state as compared to the growth there has been in the Gross National Product.

It is clear to many that the artificial political structure which was set up by the military to fill the vacuum left after the dissolution of Brazil's traditional parties at the time of the 1964 coup has not been a success. ARENA, the party breathed into life to support the military, has remained a wan creation, condemned to applaud the military whatever they do and powerless to change their policies.

Hostile

The MDB or Brazilian Democratic Movement has proved itself no more than a ragbag of bitterly hostile factions which share nothing more than the fact that they were thrown together by the military to provide some semblance of parliamentary appearances where no parliamentary life in reality existed. The artificiality was never better demonstrated than by its inability to change any policy on which the military had decided.

Now in the wake of the faltering of the economic strategy and the questioning of its social effects comes a re-examination of the political machinery. In the highest Government circles consideration is being given to the scrapping of ARENA and MDB and their replacement by groupings which would reflect real political opinion in the country more genuinely—it always being understood that extreme Right and most of the Left would be excluded.

But as the ripples of the

CONTINUED ON NEXT PAGE

There is a familiar ring about Brazil's balance of payments problems. The heavy deficit on overseas account is alarming in itself, but even more important, it inhibits prospective international lenders who might come to the rescue, given a more settled economy.

External trade

THE HEADLINE "Economic crisis" did not appear in Brazilian newspapers for a long time after the 1973 oil upset, which threw Brazil off balance after six years of remarkable economic expansion. The other day it appeared on the front page of the Correio Braziliense, a Brasilia daily which arrives on President Geisel's breakfast table and which doggedly follows the Government line. At this point it can safely be said that there is no getting away from it.

The chronic imbalance in *Brazil's* international payments, which has continued despite all efforts to check it, means that from next year onwards Brazil may find it difficult to borrow its way through as it has done up to now. Although the level of imports has successfully been frozen and exports are slowly improving, Brazil is having to pay out an increasing amount, now over 40 per cent. of export revenues, to service its ever-increasing debt, while inflation at home is higher than at any time since 1964, the year the army seized power.

At the International Monetary Fund/World Bank conference held recently in Manila, Brazil and Mexico were among the "*middling-poor*" countries held responsible for rocking the boat with their excessive payments deficits. Sr. Mário Henrique Simonsen, the Brazilian Finance Minister, came back from the meeting looking wearier than ever and warning glumly that the country would have to tighten its belt. By this he did not mean just another surcharge on French cheese, but that the Government would have to withdraw funds from some of its most cherished investment plans and, simply, slow down.

The oil crisis was worse for Brazil than for other developing countries, landing it with a bill for $3bn. a year. The recession in other parts of the world meant that the aim of 20 per cent. annual export growth, to which its economic strategy was pinned was no longer achievable. The country's trade after being roughly in balance in 1973, went $4.7bn. into the red the following year. This has been reduced, to $3.5bn. last year and probably between $2.3bn. and $2.5bn. this year, but all the time the debt is costing more to maintain.

BASIC STATISTICS			
Area	3.26m. sq. miles	Trade (1975)	
Population	107m.	Imports	U.S.$13.56bn.
GDP	Cr.896bn.	Exports	U.S.$8.66bn.
Per capita	Cr.8,362	Imports from U.K.	£161m.
Currency: cruzeiros £1=Cr.19.17		Exports to U.K.	£175m.

The present economic ills cannot all be laid at the door of the oil exporters. It has become a popular truism to say that the growth experienced between 1968 and 1973, when gross domestic product rose at an average rate of 10.35 per cent. a year, was already imbalanced. The main points, which are dealt with in a separate article, are that for a country of its size and population Brazil counted too little on its own potential market and resources and thus left itself structurally more vulnerable than other very big countries *like the U.S. or China, and that* the majority of Brazilians failed to reap much or any benefit from the expansion with which Brazil was impressing the world—though they might have done if the expansion had not been cut short.

Geared

The growth phase was geared to securing Brazil a place as a major trading nation, which was largely successful. Brazil's foreign trade is now over $21bn. a year compared with $3bn. in 1967. With the recession, Brazil found the market for exports more difficult and inelastic, and its terms of trade worse, while it was already committed to a large volume of imports, including oil (having embarked on an extravagant roadbuilding programme) and machinery for its new industries. This demand continued as Brazil kept growing, out of phase now with the rest of the world, showing another 9.6 per cent. rise in gross income in 1974.

The Government has managed to stagger its debt repayments out to the year 2000, but the debt problem is none the less assuming unmanageable proportions. By the end of the year it will, according to Government forecasts, be $27bn., and according to other forecasts $28.5bn., compared with $17bn. two years ago. The cost of major spending programmes is meanwhile rising rapidly. The steel industry alone according to official estimates, will need $11bn. to build it up to self-sufficiency as planned in the next five years.

The Government has always played down the debt problem. Using a variety of formulae to determine the "vulnerability" of Brazil's financial position, it says the debt is still within a "safe margin." A level of between two and four years' exports is currently thought tolerable. But up to now the best reason for believing that lenders would continue reaching into their pockets was the rather perverse one that they already had a great deal of money locked up in Brazil and would presumably like to count on getting it back. But, as demand for credit increases in other parts of the world, loan terms are becoming more and more difficult and Brazil will find it harder to meet them. Unless the balance of payments improves sharply, renegotiation of at least part of the debt cannot be far away.

This year, at least, Brazil has succeeded in gathering new loans at the rate it needs to cover the payments gap, while new direct investment of about $900m. is expected to have come in by the end of the year.

Foreign currency reserves, which slumped earlier in the year to $3.4bn., a far cry from the $6.4bn. level of three years ago, have now floated back up to around $4.5bn. The trade balance is improving, although not nearly as much as was hoped. The deficit is likely to be at least twice the original target of $1bn., and another $4bn. will be lost on the service account.

Imports have been kept down to around $12bn., slightly below the 1974 level, despite a rise in oil consumption. Tariff barriers against many imported items have been raised in successive stages. These particularly affect machinery and luxuries, some of which have been provisionally banned altogether.

Exports, expected to increase about 10 per cent., leave little room for manoeuvre, as most of them still depend on a more or less *predetermined* offtake of raw materials. The industrial world's recovery has improved demand for iron ore, while record coffee prices have more than compensated for the smallest crop Brazil has seen for a long time, after last year's frost. Other harvests have been excellent, with the main exception of sugar, which has been disastrous. A prolonged dr[...] over large areas of the [...] east of Brazil has hit some [...] export products.

There is at present little [...] to diversify, although [...] markets have been found [...] minerals and Brazil has st[...] selling such things as shoe[...] Russia and aircraft to Af[...] On the whole, as exporters [...] out, Brazil's new-look for[...] policy, more third-worldly [...] before, has brought it only s[...] benefits in terms of trad[...] investment. The long-awa[...] inflow of Arab oil funds [...] come to nothing.

Thrown back on a defen[...] trade strategy, the Governm[...] has continually had to in[...] new protective armaments. [...] has set out to save $300m. o[...] *deficit in tourism by clampi[...]* year's compulsory deposit [...] equivalent to £630 on anyo[...] or almost anyone—wanting [...] leave the country.

This decree, which has [...] young middle-class Brazil[...] more than the free-spen[...] rich, has probably been [...] effective in gathering unp[...] larity than anything else. [...] Heath Robinson manner [...] which it was enforced may [...] have given Brazil's for[...] creditors a sign that the Gov[...] ment was scraping the bot[...] *of its barrel of resources.*

Inflation

The other main worry a[...] from the current account [...] been inflation. The cost of liv[...] in Rio, at the last official co[...] was 43.7 per cent. up on a y[...] ago, compared with a 31.2 [...] cent. increase in 1975, althou[...] anyone in the street will [...] you it has risen more. T[...] cruzeiro is showing the signs [...] reduced stability, and its p[...] formance has been much o[...] par with Sterling's. Readjus[...] little by little against the dol[...] for the last eight years, it [...] being devalued at the compa[...] tively breakneck speed of 3 [...] cent. a month, and export[...] still consider it overrated.

Sr. Simonsen's line of att[...] on inflation has been moneta[...] —curbing credit, letting inter[...] rates go up, raising bank's co[...] pulsory deposits. This has n[...] been adapted to one of gene[...] austerity, cutting State spe[...] ing and slowing down [...] economy which has stubborn[...] *started growing again.* Grow[...] dropped to 4 per cent. last ye[...] but is thought by bankers to [...] in the region of 7 per cent. t[...] year.

The need to keep both pric[...] and the payments accou[...] within limits, on pain of losi[...] foreign credits and incurri[...] the collapse of its whole inves[...] ment plan, appear to have [...] no other option. It could be [...] question of going from t[...] frying pan into the fire. Emplo[...] ment is almost certain to suff[...] and restrictions on imports a[...] credit have already seriou[...] unsettled some sectors [...] industry.

David Whi[...]
Brazil Corresponde[...]

Re-think

CONTINUED FROM PREVIOUS PAGE

national debate spread outwards it would be a very bold prophet who would forecast its *outcome and the future* shape of Brazilian society. On one side are those who say that society is now beginning to evolve on more humane and democratic lines which will lead it to be more easily accepted in the Western world. On the other are those who forecast that the multiple difficulties and adjustments that Brazil is having to face will end by consolidating into power a regime which will become increasingly totalitarian, increasingly at loggerheads with majority opinion in Western Europe and the U.S.

The second school points to the fact that the growing difficulties that the Government faces in the management of its *external sector will* oblige it to take more and more power into its own hands, and it argues that there is no possibility of a democratic evolution while the difficulties in external financing last. The proponents of this view back it up with the argument that the inability of the private sector to finance the very large projects needed will inevitably concentrate more and more power in the hands of the State, the only body capable of raising finance for such projects. They see this concentration of economic power in the hands of a small elite as a recipe for creeping totalitarianism.

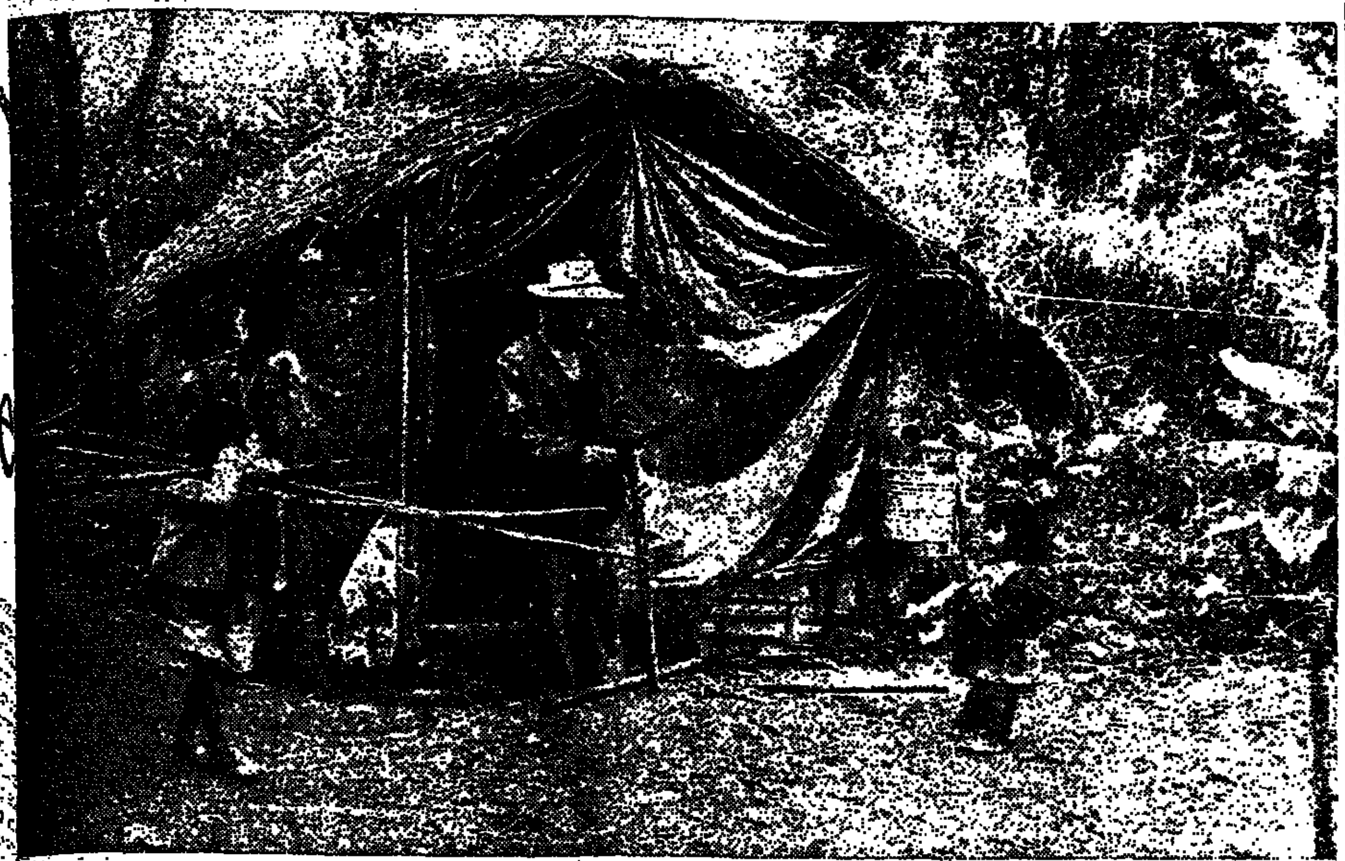
They also interpret a series of recent incidents—including an assault on a Catholic bishop of reformist views, the bombing of various Press, legal and academic centres, the circulation of extreme Right wing bulletins among some army officers and the dispatch of a small bomb to a leading general *known to be an opponent of* extreme Right wing attitudes—as evidence of growing strength of the Right wing extremists. According to this analysis the drift towards a Right wing totalitarian society would be very difficult to stop.

Efforts

That view is challenged by those who point to the successful efforts of General Geisel himself to *outlaw* the extreme Right. This school emphasises that General Geisel reduced very *drastically* the use of torture by the security forces in Sao Paulo, has maintained his *determination* to hold local elections next month despite the pressure from Right wing extremists to have them cancelled and has abolished the more severe manifestations of censorship so as to allow the debate on Brazil's future.

They see the activities of t[...] Right wing extremists less as [...] proof of their strength a[...] more as a demonstration [...] their despair at the realisati[...] that General Geisel is dete[...] mined to do away with the[...] They add that the general, co[...] vinced of the truth of the arg[...] ments that the "miracle" h[...] benefited a very small section [...] the population, is now just [...] *set on* trying to reverse th[...] situation as he is to stamp o[...] torture. His determination, it [...] argued, has been made all t[...] firmer by the spectacle [...] serious seasonal shortages [...] basic foods and this month[...] revelations that beans, t[...] principal Brazilian staple foo[...] are changing hands on th[...] *black market* at the equivale[...] of £1.50p per kilo.

The great national debate wi[...] probably not be concluded du[...] ing the term of office of Genera[...] Geisel himself and may only b[...] resolved during the next pres[...] dency. Meanwhile, the circul[...] tion of new ideas about nation[...] objectives and priorities may b[...] regarded as a very health[...] development which has lifte[...] the country out of the atmo[...] phere of secrecy and witc[...] hunting which was one of th[...] most disagreeable features [...] presidency of General Medici.



…'s economic boom has done little to relieve the plight of the very poor. Urban poverty is increasing, …cularly in the north east, where infant mortality in some areas reaches a ratio of one death to every four births. The Guarani Indians pictured above live on the outskirts of São Paulo and survive by begging in the city or working on a daily basis as rural labourers.

The holes in Brazil's economic development policy and the uneven pattern of prosperity it has produced are now becoming apparent, and the Government is being forced to make some unpleasant decisions about its future priorities.

…conomic setbacks

…S most recent phase of …ndustrialisation, which … similar phases in the … and the 1950s, was … by taking a number of …ts. Even without the …ted setbacks of the last …rs, a time of consolida… already overdue. But …t the stuffing has gone …e economic miracle the … the kind of development …e army and its advisers … for after 1964 have … even more apparent.

…first sense in which …an be said to have paid … for its boom is social. …gh … overall income …ed greatly, so did the … of social unfairness. … at the top of the scale … a bigger share, people … bottom a smaller. The …ing power of the mini…age decreased over the …hile many, especially in …th-east, where almost a … the population live, … outside the money … altogether.

…econd kind of cost was … increased dependence. … free flow of loans to …he growth, bringing in … investment capital to a …here it dominated big … of the economy and … heavily on exports for … over which it had no … Brazil lost in the bar…t of its own decision-…

… true that Brazil was … take part, to a much … extent than before, in …th of world trade, but …ut committing itself to … in big quantities of … oil, machinery and …asic commodities—for …hich it is now paying …ather than relying on, …ping, more of its own …

…il crisis made this … patently obvious, and …it has been the start of …ofound changes in the … of Brazil's productive …

… emphasis has shifted …om consumer durables … electrical goods and …ich in the two years to …le of this year had only … growth, to capital and …iary goods, which have … annual rates of 8 and …ent. Up to 1980 Brazil …s to spend $21m. on self…cy programmes includ…l, paper and fertilisers. … the raw materials for …em.

…e same time there has …me attempt to activate …ge potential domestic … In its 110m. population, …han anywhere else in …merica, Africa or the …ast, Brazil has an outlet … uses. About 70m. Bra…ake no active part as …rs.

…ear the Government set …hat was to be a gradual …ment in the pay struc… indexed the minimum …d put it up a bit more …e cost of living. This … pattern was repeated …age rise of 43 per cent., … has since been swal…p by an inflation rate … 45 per cent.

…jor factor in the cost of …se is food, largely be… the woefully inade…tructure of food sup… shortage of black beans …r forced the Govern…o import this ultra… vegetable from Chile and Mexico, and inhabitants of Rio de Janeiro's sprawling working-class suburbs have queued, literally in thousands, to buy at prohibitive prices a staple food they are used to eating because it has always been cheap.

"From the strictly economical point of view, it is certain that the most rational course lies in most cases in the process of accumulating and concentrating wealth. But it is still more certain that this process, carried out without limits, will, fatally, divide society in an irreconcilable manner. It is at this moment that material advance itself will be profoundly compromised."

This remark, rather surprisingly, comes from the Minister of Industry and Commerce, Sr. Severo Gomes. Sr. Gomes has spearheaded that body of Government officials which talks in terms of fundamental rather than simply remedial measures to face Brazil's economic problems and which is generally known as the "nationalist wing."

Sr. Gomes has been tougher than other Ministers in his approach to foreign companies, insisting that they evolve their plans in accordance with Brazil's "own kind of development." He is also the one who has spoken most about fairer distribution of wealth, in order to build up a home-based market, and spreading out the weight of industry, which is heavily concentrated in São Paulo and neighbouring States.

The crisis, according to Sr. Gomes, is a convenient time to change the economic "model" and take Brazil away from the kind of economic dependence typified by the policy of Dr. Joaquim Murtinho, who was given the job of pulling the country's finances together at the turn of the century. Dr. Murtinho did not think Brazil could imitate the self-reliance of countries like the U.S. "not having the superior attitudes of the race . . . our industrial policy should be: produce cheaply what is expensive to import and import cheaply what is expensive to produce."

The "Brazilian economic model" is a term which mainly serves to confuse. Sr. Gomes says it is changing, Sr. João Paulo do Reis Velloso, the Planning Minister, says it is not. What is the model? Open trade, U.S.-style capitalism? But Brazil has just created a formidable array of tariff barriers, and over the years has built up such a powerful State sector—in mining, steel, finance, energy and transport—that the Government is now bending over backwards to try to resuscitate private enterprise.

If the "model" that developed during the late 1960s is criticised as being too "extrovert," the alternative is not necessarily the exact, introverted opposite. Brazil still needs export industries, not only for foreign exchange but also for jobs. It is also worth noting that many of the high-growth foreign-controlled companies—the car industry being the most obvious example—were geared primordially to the domestic and not to the external market.

Discussions about "models" always implies that once the right one is found everything will be dandy. But Brazil has another problem, which could be put less pretentiously as one of management. The Government itself is probably to blame for having adapted far too late to fundamental changes in the world situation, and some of its members have been subject to increasingly open criticism. A retired admiral, who is still having his newspaper articles published, is being tried for allegedly insulting the honour and dignity of Sr. Reis Velloso.

Further down the scale, bureaucracy is proliferating, and there are administrative blockages in many important sectors—projects to produce alcohol for mixing with petrol (one of the Sr. Gomes' favourite plans), the steel programme, training of nuclear scientists, the operation of the north-east's development authority Sudene, and others.

The deficiencies in the running of Brazil's cities are close to catastrophic. Urban povety is increasing, particularly in the north-east, where a bad drought has added to the influx of peasants from the interior. Sanitary and other facilities in places like Salvador, a city of 1.5m., are totally inadequate. In Recife, which has attracted a lot of new industry, the rate of infant deaths, according to a recent publication by the Brazilian Institute of Geography and Statistics (IBGE), increased from 178.4 in every 1,000 live births in 1972 to 229.0 in 1973 and 256.4 in 1974.

A further hazard is on its way with (as yet unspecified) spending cuts, which the Government is determined to make but which look like being fought down to the last cruzeiro. The most important programmes, including those for the backward central and northern regions, are to be maintained. But some projects, including hydroelectric schemes, will be held back. More and more, the Government is being faced with a rigorous choice of priorities.

D.W.

Political progress in Brazil since the formation of the military Government in 1964 has been minimal. Even the mild discontent with its policies shown in recent elections has been enough to embarrass the Government and produce new limitations on political activity. But General Geisel seems to be beginning to look for political reforms.

Political power

"BRAZIL HAS made enormous economic progress in the past few years, but this has not been matched by any progress in the political field. We have to face up to the fact that Brazil is politically an underdeveloped country." The importance of this remark lies not in the sentiments it expresses but rather in the identity of the man who delivered it. Coming as it did from a senior Government official known for his very close relationship to General Ernesto Geisel, the President, it has great significance for the country's future.

General Geisel has made up his mind that the present political structures are no longer fit even for the limited tasks that the military assigned to them. The question is how far his desire to change the appearances of political life in Brazil coincides with a wish effectively to change the balance of power in the country.

The story of the present political parties is simply told. The military took power from the civilian president João Goulart in 1964 and immediately abolished party political life as it was known. The 13 major parties were put into liquidation and some of the chief political leaders were either physically eliminated, sent into exile or deprived of their political rights. Some of these parties were highly professional and ideologically committed groups, such as the Communist Party, others were made up principally of the personal following of one or two personalist leaders, while others yet were ramshackle groups of politicians spread over the country's great land mass who were unable to co-ordinate themselves very effectively and who drifted along in the political tide doing not much harm and not much good.

Two years after the coup, however, the real rulers of the country, the military, decided that they wanted to clothe their own administration in the raiment of a civilian parliamentary system, so they created by decree two parties, the Aliança Renovadora Nacional (ARENA), a group of conservative civilian politicians who could be counted on to support the policies decided on by the military rulers, and the Movimento Democràtico Brasileiro (MDB), a collection of centrists and right of centre politicians capable of providing a muted opposition.

Shadow

Since their creation the two parties have fought out a game of shadow boxing in the Federal Congress in Brasilia, in the various State legislatures and in local government. Lacking in all but the most indirect influence on major policy decisions which are still taken within the bosom of the military or by civilians they have entrusted with cabinet posts, and with no control over finance measures, MDB and ARENA have had no real share in the Government. Neither have they been able to strike roots in the popular imagination. The voters saw that ARENA had no life independent of the military, while the MDB's ability to manoeuvre and criticise was carefully circumscribed by the Government, the bolder spirits in the party having their political rights taken away from them summarily with recourse to the Government's reserve powers. The cult of the personality in both parties was officially frowned upon.

In November, 1974, however, MDB gained an election success which was all the more surprising given the constraints its campaign suffered in the communications media. In the Senate it tripled its representation and won 20 out of the 66 seats, while in the Chamber of Deputies it almost doubled its strength to capture 160 out of the 364 seats.

The results showed that the voters were discontent enough with the Government to commit their votes massively to the MDB, even though it was clear that the MDB had little power to change official policies. The result of the 1974 election appears to have had two effects on the thinking of the authorities. First it has made them place even greater limitations on party political activity in the run-up to next month's local elections. Sr Armando Falcão, the justice minister who is the representative of the far right in the cabinet, has ruled that MDB's access to the television, a prime factor in the party's success, must be minimal. In addition the prefects of the principal cities cannot "because of considerations of national security" be elected by a free vote. These measures have reduced the level of popular enthusiasm very greatly in the main cities, though there is some excitement in rural areas over the voting.

Second, the experience of 1974 brought it home to the Government that if things went on as they were the opposition would soon gain a majority in Congress and make life increasingly difficult for the military. It was clear that Pinocchio was possibly going to come to life.

This realisation led to some speculation that in order to maintain the status quo and the hegemony of ARENA the military would form a third party. This would claim more support from MDB ranks than from ARENA ranks and would thus eliminate the danger of MDB dominating ARENA.

Now there are indications that General Geisel's objectives have become broader and more far reaching. Rather than tinker with the, an admittedly, artificial political system in an effort to maintain the appearance of parliamentary government and the polite fiction of democratic support for a military government, the General seems to be feeling his way towards a strategy in which political power and economic benefits, instead of being as they are now, effectively monopolised by a very small part of the population, would in reality be shared more widely in the country. That is, economic reforms would go hand in hand with political reforms.

Permission

A first step in this direction could be the granting of permission to a number of parties of the centre and the centre-right, the Christian Democrats, for instance, to organise outside the MDB straitjacket. Such a step, though limited in scope, would have the advantage of allowing some genuine political ideas to circulate in a political system which has up to now been doomed to artificiality.

No one, however, knows better than Giesel himself the dangers that he faces in pursuing such a policy. His opponents on the Right, and especially within the armed forces, will redouble the campaign they are already conducting against what they describe as his "dangerous liberalism" and his "treason to the ideals of the 1964 Revolution." The Right will be supported by many who have a great deal to fear any investigation of the administrative scandals which have occurred since 1964. On the Left the appetite for power will grow fast as it is seen that the old political systems dominated by the military are about to give way to some more flexible and democratic political system. But whatever the dangers one fact is clear—Brazil has outgrown political garments it was given by the military in 1964.

H.O'S.

Brazil's foreign policy appears to be trying to portray the country as a friend to the whole world, a task that will be difficult to carry through. But Foreign Minister Azeredo da Silveira and General Geisel have made good progress during recent years.

Foreign policy

THE LIFE of any Brazilian foreign minister is a complicated one. The life Sr. Antonio Francisco Azeredo da Silveira, the present holder of the office, is particularly complicated. At one and the same time Brazil aspires to be an important member of the Western Alliance, a leader of the Third World, a particular partner of the states of Black Africa, a business and military associate of South Africa, a country with big trading links with the Soviet Union and friend to the authorities in Chile.

But then Sr. Azeredo da Silveira is a man of many parts who is also up to the job of defending himself against the not infrequent attacks he suffers on the domestic front from those who insist on calling attention to his short stature and referring to him with a disdain he does not merit as "Silveirinha," "Little Silveira."

So far the feats of equilibrium that have been demanded from its diplomats by the Brazilian Government's desire to get the best out of the different communities to which it feels it belongs have been reasonably successful. Brazil has strengthened its relationship with the U.S., on the goodwill of whose banks the development of Brazil to a large extent depends. Dr. Henry Kissinger went to Brazil in February and there is no doubt that Brazil is seen in Washington as its main Latin American ally, and a lot less troublesome ally than, say, Mexico, Argentina, Chile or Paraguay. By his visits this year to Britain, France and Japan and the signature of a very big nuclear deal with the West German Government, General Geisel has sought to improve his relations with other major members of the group of industrialised countries. Despite the mixed reception he got in London he made some progress during these visits.

At the same time Brazil has been careful not to let the shine go off its relations with the more conservative governments of the Third World, from Guatemala to Bangladesh and Liberia to Senegal. This has been a difficult task politically because Brasilia has decided to keep clear of the non-aligned group which embraces the majority of Third World states.

Though not falling into step with the non-aligned group Brazil has been a powerful ally of those developing states who have sought a new international economic order and who have wanted to extract the largest possible trade concessions from the industrialised world.

This dualism reflects the country's interest in continuing the flow of capital from the U.S. and its associates in the industrialised countries and in its need to use as much diplomatic leverage as it can muster so as to get better access for its exports to those countries.

Africa

The same need for trade on the one hand and investment and political relations on the other has marked Brazil's relations with Africa. And the subject of relations with Africa has caused no little controversy at home. The Government backed up its search for new African markets for Brazilian goods with a drive to win friends among the newly independent countries of the former Portuguese empire. Brazil, for instance, was among the first of the non-Communist countries to recognise the independent government of Luanda.

Voices have meanwhile been raised in Brazil to the effect that greater priority should have been given to the relationship with South Africa. The military establishment, and in particular the Brazilian navy, has been making quiet propaganda in favour of some sort of South Atlantic Treaty at a time when the Soviet Union has been extending its influence in the area. This Brazilian initiative has been supported, naturally enough, by the Vorster Government which has been wooing other conservative regimes in South America, notably Paraguay, Uruguay, Argentina and Chile, and which has been pained by the Brazilian Foreign Ministry's unremitting condemnation of apartheid.

The opinion of the Brazilian military which actively seeks a South Atlantic pact appears to have had the cautious backing of the U.S. Defence Department. It has also got support from conservative civilians. The conservative daily O Estado de Sao Paulo accused Sr. Silveira of being guilty of a "demogogic" policy in trying to establish good relations with Angola and in rejecting any involvement with apartheid.

His course, the newspaper said, was "suicidal." So far there is no sign that General Geisel or the Foreign Ministry will allow a military pact to be signed with South Africa given that such a move would sound the death knell for Brazil's hopes making friends and selling things in Black Africa and

CONTINUED ON NEXT PAGE

BRAZIL V

With interest rates of up to 30 per cent per month the Brazilian money market is, to say the least, unusual, and it has not developed in the way that the Government intended. The 'open markets' have fed inflation and have failed to give the authorities the measure of control that they had hoped for.

Money market crises

ONDON bankers it must incredible: interest rates per cent. per month for nt applications. But this was paid for a few trans- on the São Paulo money at the end of September- quite exceptional even the average rate is per cent. to 3.5 per which is still high enough ish standards. Better than anything else, the "freak" rates reflect the stability, fragility and tive nature of Brazil's market, where operators th *the end of the day in* ate situation in which, ricken, they will pay rates so as to cover their ments.

situation is certainly not the Government had in then it set up the money in 1968. Through the LTNs (national trea- s) it intended to con- country's money supply. the Government con- that the money supply anding too rapidly and ding inflation, it would ese *bonds*, thus taking t of circulation. If, how- the Government feared on, it *would* buy bonds, more money in circula- This mechanism was con- all the more important the Government has ronic problems controll- e amount of money in tion.

To sell the LTNs without problems, the Government pays an excellent rate of interest, which averaged about 37 per cent. last year. The Government sells the LTNs to large banks and brokerages, which in their turn resell them *to private* companies for short periods (overnight), promising to repurchase them. Just before payday, for example, companies frequently have large sums of money available in cash. It *is now* common practice for this money to be applied for a few days on the money market. Another impor*tant and erratic source of money* for this market comes from the inflow of foreign capital. There is a lag between the date when the money enters the country and the time when it has to be registered with the Banco Central. During this period it is generally placed in the money market. The main reason why interest *soared to 30* per cent. per month at the end of September was that the Banco Central *sold* LTNs anticipating that Brascan would import US$100m. However, Brascan waited in anticipation of a cruzeiro devaluation. The result was that the money market was left cashless and a few smaller brokers had desperately to offer 30 per cent. to cover their position.

This is the official money market, called Open Market No. 1, with the Brazilians' love of christening their institutions with foreign terms which are often misleading.

The market became distorted with the widespread introduction of speculation, the so-called Open Market No. 2. Some banks, but particularly brokerage *houses*, began buying up enormous numbers of bonds, very much larger amounts than they could cover in an *emergency*. They immediately resold the bonds to private companies for a few days, in a long series of rapid transactions. At the end of June, for example, one market operator had commitments to repurchase bonds to the value of Cr.649.7m. (£34.2m.), while its total assets were worth *only* Cr.1.5m. (£790,000). Companies like this are vulnerable to any temporary shortage in money supply. With deadlines for repurchase, they will pay almost any price rather than lose their credibility in a market which is so dependent on personal contacts.

Besides this, almost any kind of bond or security began to be negotiated on this market: ORTNs (indexed treasury bonds), housing bonds, bills of exchange, very long-term electricity bonds and even savings *deposits. One broker commented* ironically: "They haven't started dealing with State lottery tickets yet. But that will be the next thing." Mário Henrique Simonsen, Minister of Finance, remarked recently: "The bonds negotiated on the open market have become almost like cash." The inflationary effect of what is virtually a large-scale increase in *the money supply is very* considerable.

Soared

Moreover, the money market also feeds inflation in another way. During the last few months of last year, the "open market" passed through a serious crisis. *With the tightening of the* credit squeeze, rates on the market soared and many operators had extreme difficulty in covering their positions. Afraid of the serious domestic and international repercussions of a serious collapse, the Banco Central intervened time after time, issuing large sums of money to ensure the *liquidity* of the market. Occasionally it moved in more openly, assisting a *financial* body in difficulties. For example, at the end of November, it lent Cr.49m. (£2.6m.) to Scarano, a brokerage house, which had been unable to honour a cheque on an ORTN negotiation.

These injections of money led to a large, unplanned increase in the money supply, which expanded as much during the last three months of the year as it did during all the first nine months. More than anything else, it has been this large increase that has made the *Government's anti-inflationary* policies ineffective this year. For the Government has become *imprisoned in a vicious circle:* to reduce the money supply and thus combat inflation, it sells LTNs; but the subsequent panic and disorder in the money market are so great that the Banco Central buys bonds or emits more money; and this feeds inflation.

This year the Government took timid measures in April and August to discipline this market. Institutions were told that they must not over-extend themselves to the same degree as in the past, but limits were still well in excess of assets. *These measures have proved* inadequate, and it is widely believed that the Government will eventually be forced to take a tougher line if it is successfully to put into practice its monetary policies. Meanwhile, however, the Banco Central continues to succour financial bodies in difficulties. In Sep*tember, it covered two cheques* issued by the respectable Banco Econômico which would otherwise have bounced. Since then two brokerage houses in similar difficulties have received help. Bankers are expecting the market to be shaken by other upheavals in the near future. The president of a large brokerage *house confided recently:* "Every day when I wake up, I pick up the newspapers with my heart in my mouth. I am really afraid that I'll be reading about the collapse of some financial institution." He explained that the present problems are not just the work of isolated speculators but stem from the *precarious nature of the whole* Open Market No. 2. The president of one of Brazil's largest multinationals recently commented: "It is impossible to operate on this market in its present chaotic form. The Government must step in and establish clear rules for the game."

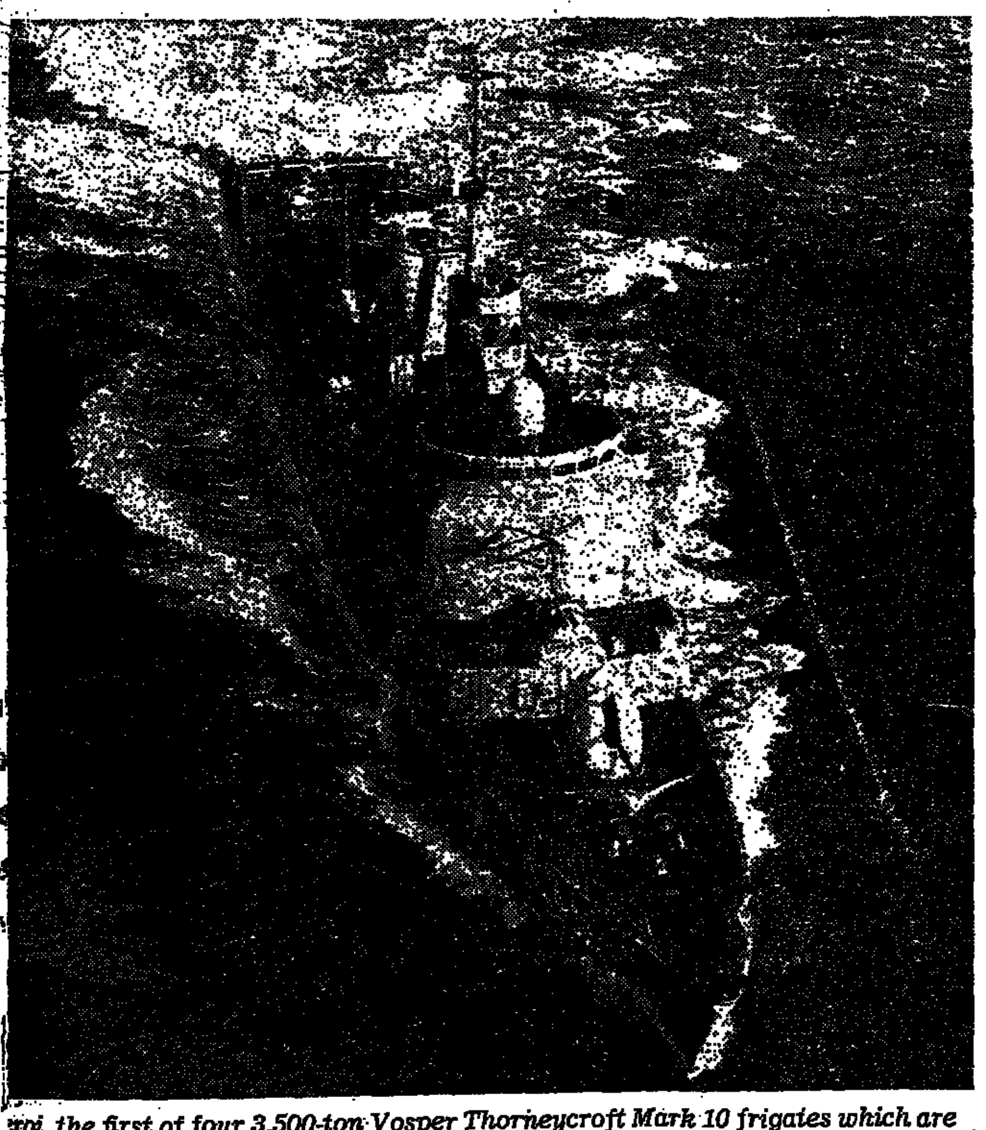
The harmful effects are all the more marked because of the very large sums of money *involved. Daily negotiations of* LTNs on the official Open Market No. 1 recently peaked at Cr20bn. (£1.1bn.). This could be compared with the average daily turnover on the São Paulo stock market over the last quarter, which was Cr49m. (£2.6m.). This is just 1/400th of the peak level on the "open market."

Some of Brazil's largest companies operate in the open market. For *example*, Ford's "non-operational income," most of which is widely believed to come from operations on this *market, was worth Cr60.4m.* (£3.2m.) in 1975. During the same year, Volkswagen had an income of Cr153.8m. (£8.1m.) from the same source. Perhaps the most remarkable achievement of all, however, came from Fiat, which, in 1974, a full 18 months before it opened its car plant, managed to chalk a profit of Cr25.4m. (£1.3m.), mainly from its applications on this market.

However, besides these normal applications, the extraordinarily high profit rates lead to the deviation of resources officially earmarked for other ends. One such case is rural credit. By the end of August *of this year, the Banco do* Brasil had supplied Cr.97.2bn. (£5.1bn.) in loans to farmers. All these loans are at highly subsidised rates, some as low as 12 per cent. per annum, without indexation (while inflation is presently running at 45 per cent.). Yet, as members of the Government have observed, *farming methods are not* improving as quickly as had been anticipated. Recently, denunciations of fraud have been made. Indeed, it is believed that large sums of money are being diverted to the open market, with extremely large profits going to the farmers.

The effects of Open Market No. 2 are very serious for the Brazilian economy. This is not only because the open market has proved ineffective—and, paradoxically, even harmful—in relation to the original *objective which was to provide* the Government with a mechanism for controlling the supply of money. Besides this, the open market feeds inflation and leads to a serious drain of resources urgently required elsewhere.

Sue Branford



roi, the first of four 3,500-ton Vosper Thorneycroft Mark 10 frigates which are being supplied to the Brazilian Navy.

oreign

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developing regions.

respect to its relations the Communist world n policy suffers another While the information in both Brazil and the Union slang the other's l system the trade of both countries are work trying to fix new Brazil's growing need to or die has meant it has pushing, often successfully, the sale of its manufactured goods like shoes to the Soviets. The Soviets, in a similar trade fix and much in need of hard currency and an opportunity to find an overseas market for their capital goods, have at the same time been trying very hard to clinch the sale to *Brazil of turbines for its* giant Itaipu hydroelectric scheme. It is notable that the Soviets have, obviously for commercial reasons, not mounted the campaign against political repression against the left in Brazil and in Paraguay, Brazil's partner in the Itaipu scheme, that has been used against Chile.

Within Latin America Brazil has strengthened its relations with the *Right-wing governments* of southern America and appears to favour the recent move by Chile to associate itself with the countries of the River Plate Basin Agreement, Brazil, Bolivia, Paraguay, Uruguay and Argentina.

Strain

Brazil's balancing act may henceforth be under greater strain than it was in the past. Until the country's balance of payments situation recovers Brazilian diplomacy will have to bend its efforts with increasing emphasis to ensuring that the financial support for its economy continues to come from the U.S. At the same time the Foreign Ministry will have an interest in seeing the idea *of a general moratorium for* big international debtors among the developing countries, or at least the formulation of new schemes for debt relief, prospers. Speaking in language which is acceptable to U.S. banking circles and effective at the North-South dialogue is likely to become an increasingly taxing test of nerve.

H.O'S.

A number of foreign companies, including BP, are now starting to look for oil off Brazil's coast, although Petrobás, the State oil company, remains the guardian of the country's oil resources. To counteract the critical fuel shortage, attempts are also being made to develop production of alcohol as an additive.

The search for oil

A Petrobras drill ship, which is being used in t Campos region.

PETROBRAS, THE State oil company, promised to have its first contract with a foreign company for exploration in Brazil signed by the end of September, and made it with less than four hours to go.

British Petroleum is now due to start drilling by April next year, at its own expense—the first time since the war that foreign capital has been brought into Brazilian oil exploration (although Petrobrás has hired drilling companies for its own work). BP has contracted to invest a minimum $10.5m. in a 2,125 square mile offshore area, 100 miles from São Paulo's port of Santos, which many consider the most promising part of the continental shelf, barring those Petrobrás is already developing.

The basic conditions are that BP will be repaid with interest if and when it finds oil, but that in any case it loses rights to the area after three years. A final contract has still to be signed with the subsidiary which BP is now setting up to run its Brazilian operation.

Four other companies are due to follow: a Franco-Italian consortium of Elf-Aquitaine and Agip; Shell, in a combination of its Dutch and U.S. branches (to explore in the mouth of the Amazon); and the U.S. majors Exxon and Texaco.

The contracts have been a long time in preparation. President Geisel announced a year ago his decision to bring foreign companies in—at the same time insisting that this did not infringe Petrobrás' role, hallowed in the Constitution, as guardian of Brazil's so far scanty oil resources. But the change had already been hanging fire since not long after Gen. Geisel moved from the chairmanship of Petrobrás to the presidency in March, 1974.

The problem was political, and opposition to the new policy has only subsided because of a firm hand by the President. The man who succeeded him in Petrobrás, Admiral Fairia Lima, was moved out a year later to take over the governorship of a reorganised State of Rio de Janeiro. He is said to have stood out in opposition to changing the nature of the monopoly. When the Government, last October, was putting together a package of rescue measures for the balance of payments, two Cabinet Ministers — Sr. Severo Gomes, of Industry and Commerce: and Sr. Antônio Azeredo da Silveira, the Foreign Minister — had to be talked down by the President over the new oil plan.

The controversy was kept within limits—by the censor's blue pencil and by a clampdown on public meetings which followed soon afterwards.

Oil has been an emotional issue ever since Getúlio Vargas laid the basis of the monopoly in the early 1950s with the nationalistic slogan, "The Oil is Ours." But also involved, no doubt, were slighted feelings on the part of those responsible for Petrobrás' own exploration efforts.

Tough

In this atmosphere it was inevitable that the draft contract should be tough and watertight in keeping Petrobrás in charge of all oil production. Foreign companies would cede their areas in three annual stages, would have no rights to any gas they found, and would be subject to the same restrictions on repatriation of earnings as apply to foreign manufacturing companies. Probably, nobody on either side of the debate expected that foreign companies would be so easily put off.

Of the ten areas offered, several — including the central Amazon, the only onshore region — found no takers, and 35 out of 40 applicants dropped out. The companies left were the three that share the bulk of petrol distribution in Brazil with Petrobrás — Shell, Exxon and Texaco — and the British and French, who are both interested at the same time in selling off-shore technology to Petrobrás.

Brazil is almost certain to open up more areas for foreign companies once the present series of deals is concluded, and will possibly offer more attractive terms. The offshore area of Maranhão, at the eastern edge of the Amazon region, is one that has already been mentioned.

Petrobrás will, however, keep the areas where it is sure of oil and has the equipment to drill for it. New offshore fields in the north-east of the country are now going on stream, and, off Campos in Rio de Janeiro State, the company has what appears to be its biggest reserve. Although Petrobrás has always expressed itself conservatively —in contrast to euphoric predictions by Government Ministers—wells in the region are expected to produce at least 200,000 barrels per day, more than Brazil's total output at present, in the next decade, and a figure of 1m. barrels is being mentioned privately by senior Petrobrás officials. The first field, Garoupa, is scheduled to produce 45,000 barrels per day next year. Oil has meanwhile been found off Amapá, in the far north of the country.

Together, these discoveries will mean that Brazil's proven reserves of around 800m. barrels —well below those of Mexico, Argentina, Colombia or Peru, not to mention Latin America's two OPEC members, Venezuela and Ecuador—will have to be considerably upgraded. Also important from the supply angle is a big find made recently by Petrobrás overseas arm, Braspetro, in Iraq.

But Brazil's oil situation is still critical. Oil imports are not the sole reason for its current economic problems, but they are the most obvious factor. The country has spent more than $3bn. a year for the past two years, and this is likely to reach close to $4bn. this year, equivalent to about 40 per cent. of its export earnings.

Despite the new wells in the north-east, local production has been on a slow decline. The oldest fields, in Bahia State, are drying up. Average output this year, projected at 179,500 barrels per day, will instead be somewhere between 170,000 and 175,000, while daily consumption is up from 865,000 to 950,000 barrels.

Sharp increases in petrol prices — at £1.03 a gallon for ordinary and £1.28 for super — they are among the world's highest — have helped cut down consumption by motorists. Although there are more cars on the roads, petrol usage has increased by only about 1 per cent. But consumption of diesel oil, in a country which transports three quarters of its goods by road, has shot up by some 18 per cent.

The gap between the oil Brazil uses and the oil it produces will only start to be repaired next year. In the meantime, another solution is being tried—that of alcohol additive. A plan to produce alcohol for car fuel was another of last October's measures. Car companies such as Chrysler and Volkswagen are experimenting with mixtures and are fairly optimistic that a 15 per cent. mix of alcohol, which the Government believes can be supplied in 1980, would work. But a lot of alcohol is needed to do it.

Brazil has a number of possible alcohol sources—from the babaçu nut, which hangs in clusters over large areas of Maranhão and Piaui States in the north, to the manioc root which contributes a staple food, but most obviously sugar cane, of which Brazil is already the largest world producer.

A total of 103 distilleries were planned, of which 59 have got as far as having projects approved—enough, acording to the National Alcohol Commission, to supply a 12 per cent. mix in 1980. But only a handful have succeeded in obtaining the special credits made available by the Banco do Brasil, and one, in Paraiba State, already been abandoned a viable. Some consider that ducing alcohol will turn more expensive than lookin oil.

In any case, this plan will four years to have any effect. Relief, foreign oil panies or no foreign oil panies, is still some way off some form of petrol rationi which the Government h far ruled out as too har administrate—may yet be an inevitability.

"Brazil's problem," a dignitary was heard to re at a recent cocktail part Rio, "is that it has no fi fissile, fossil nor facile."

D

Brazil's coffee output was sharply reduced by last year's frost destruction, since when prices on the world market have risen steeply. To meet its supply commitments—and, it is widely alleged, to ensure that prices are kept artificially high—Brazil has been buying coffee from Angola and other countries.

Coffee comeback

WHEN THE news emerged in April that Brazil was shopping for coffee in Angola, it might have seemed a case of carrying coals to Newcastle. But for the Brazilian Government and coffee traders, not to mention coffee buyers all over the world, it was a shrewd move, the success of which may perhaps be judged by the U.S. Government's threat to leave the International Coffee Organisation if Brazil does not desist from its attempts to "artificially" raise the world price.

The story goes back to July, 1975 when killer frosts struck the country's major coffee-growing regions. Until that time the Government had been intent on reducing dependence on coffee exports, which in 1965, for example, accounted for 44.3 per cent. of the country's total exports; at the same time it also wished to promote exports of soluble coffee, a manufactured item.

Decimated

By 1975 the policy was proceeding fairly successfully; green coffee exports, at $864.3m., represented only 10.9 per cent. of total exports in 1974. And soluble coffee exports, which in 1965 had been negligible, had climbed to 37,000 metric tonnes worth $116m.

Then the frosts struck. Almost overnight, the coffee plantations in Parana and São Paulo were decimated, all 915m. of Parana's bushes being damaged or destroyed as well as 528m. of São Paulo's 800m. bushes. In all, no less than 73.5 per cent. of Brazil's 2,061m. bushes were affected. As it happened, the crop had just been harvested, but it was clear that the 1976 crop was going to be drastically reduced. The prospect of a serious shortage on the world market was increased by problems in other producing countries, notably Africa.

The domestic market in Brazil suffered an immediate effect from the frosts, with the retail price being raised from 75p per kilo to £1.22. It was further raised in February and April this year and now stands at £2.28. Thus coffee now heads the list of basic foodstuffs, including sugar, beans and soya cooking oil, which have contributed greatly to Brazil's rapidly rising cost of living.

It is ironic that in this, the land of coffee, an unsk worker who drinks t "cafezinhos" (little b coffees) a day in a bar wil the end of the month h drunk up 15 per cent. of minimum wage, without his or children having taken a d

In an effort at least to hold retail price where it is, the ernment body which con the coffee trade, the "Insti Brasileiro do Café" (IBC), since July been selling domestic roasters from its stocks at reduced prices.

It is the world market that mately interests the Gov ment, and as General Belarr bluntly put it earlier this y "Coffee is produced to be ported, and not for peopl waste drinking, at the exp

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BRAZIL VII

Brazil's soyabean output has increased greatly during the past few years, and new crushing plants have been built to keep pace with this growth. Those who believe that this capacity will not be needed are countered by others who point to increased sales of soya oil and meal abroad.

A bigger crush for soyabeans

L'S SOYABEAN crop ;es to grow rapidly. The harvest, which came to in March, was put at tonnes, which is three larger than the crop in However, there are the igns that the pace may n. Most areas are pre- a 10 per cent. increase abean plantings, due to in November. This is a increase by Brazilian rds and may well mean production will only be y up, unless, by a stroke od fortune, last year's ent weather conditions repeated. The State nment in Rio Grande do he leading soyabean pro- g State, is not encouraging an plantings as enthu- ally as in the past. It cerned about its excessive dence on a single crop, abeans now occupy 39 per of the State's farming and account for 25 per of its income.

ouraged by the extremely growth in the soyabean st in recent years, several nies are investing heavily shing capacity. This new pment, which is attract- ttle attention here, is of significance as it will lead portant changes in the composition of Brazil's soya exports. At present, Brazil has the capacity to crush 6.5m. tonnes of soyabeans, which is 1m. tonnes more than last year. This will increase to 8.5m.-9m. tonnes in 1977. The biggest crusher is Sanbra, which is controlled by the Bung y Born group. This year it will be crushing 1.5m.-1.6m. tonnes. It is followed by Olvebra, the only large crusher in Brazilian hands, which has a total crushing capacity of 1m. tonnes in its four plants. Next comes Cargill, which opened a new plant in May of this year and can now crush 820,000 tonnes per year. The smallest of the four giants is Anderson Clayton, which is crushing 380,000 tonnes this year. These four companies account for 3.7m. of the present total crushing capacity of 6.5m. tonnes.

Trader

Next year several new plants will come on stream. Continental another of the global grain companies, which is already an active grain trader here, will be moving into crushing on a big scale. Its new plant, which will be opened in May or June, will eventually handle about 1m. tonnes of beans. In September Anderson Clayton will be opening a new plant which will have a crushing capacity of 360,000 tonnes per year.

Two of the big soya farmers' co-operatives, known as Fecotrigo and Cotrijui, will also be opening new plants, in the south of Brazil, each with an annual crushing capacity of 500-600,000 tonnes. This forms part of the new strategy adopted by the large Brazilian farmers to eliminate as far as possible the middleman role of the multinational grain companies. Sr. Rubem Ilgenfritz da Silva, president of Cotrijui, commented recently: "Brazilian meal is sold to European farming and cattle-raising co-operatives after passing through the speculations on the Chicago and Rotterdam markets. What we must do is cut out this unnecessary long way round and hand over the product directly to the final consumer."

Altogether the four grain companies, the Brazilian crusher and the two co-operatives will have a crushing capacity of 6.3m. tonnes, over two-thirds of the predicted Brazilian total. One of the leading traders commented: "The epoch of the small crusher is over. Each year a larger proportion of total capacity lies in the hands of the big few." Indeed, the small and medium-sized crushers, which are predominantly Brazilian-owned and much less sophisticated in their marketing operations, already cluster around the giants, selling them a large proportion of their oil production.

The country's crushing capacity is rising much more quickly than domestic consumption of soya oil, which is growing steadily at 12-15 per cent. per annum. At present, the Brazilian market takes about 750,000 tonnes of crude degummed oil, which is about two-thirds of production. Some of this oil is refined for cooking purposes, but most is used in the manufacture of margarine. Despite the increased crushing capacity, there was a serious shortage of soya cooking oil on the domestic market at the end of last year. There are already signs that oil may be in short supply again this year. Oil prices have already risen 75 per cent. since January. While some criticise the crushers for artificially creating the shortage to boost up prices, the latter in their turn blame the farmers for refusing to sell the rest of their beans at present prices.

Brazilian beans have a somewhat higher oil content than American. A normal yield gives 78 per cent. meal, 19 per cent. oil and 3 per cent. waste. Because of the low technical level of animal husbandry here, with most cattle let loose to graze at will over a large area, Brazil's consumption of animal fodder is very low. Indeed, at present Brazil only consumes about 1m. tonnes of meal each year, which is just a fifth of production. This means that Brazil is becoming a very large meal exporter. The Brazilian Government recently announced that, from next year onwards, it will be obligatory to add 5 per cent. soya meal to bread. There are two objectives behind this new measure: first to save on wheat and thus to reduce costly imports; and, second, to increase the bread's protein content and thus help to reduce the country's serious problem of malnutrition. However, this new policy will not greatly affect Brazil's meal exports as, at most, it will involve 500,000 tonnes of meal.

Traders believe that, because of the increased crushing capacity, bean exports will fall, while foreign sales of oil and meal climb rapidly. Soya oil exports are already climbing quickly and should reach 400,000 tonnes this year. Next year it is believed that bean exports may drop to 3m. or even 2.5m. tonnes. In compensation, there will be a much greater quantity of oil and meal available for export, possibly as much as 800-900,000 tonnes and 5.0-5.5m. tonnes respectively.

This marked change in the composition of soya exports is worrying some sectors of the Government, who believe that Brazil may face problems of excess crushing capacity over the next few years, particularly if the soyabean crop grows much more slowly than in the past. They also consider that the world price advantage may lie with beans in future years. This is partly because of the large installed crushing capacity in Europe that needs to be satisfied. At present, Brazil sends most of its beans, but none of its oil to Europe. It exports its meal to many parts of the world, particularly Europe, the Far East and the Communist bloc.

However, many crushers here believe that this view is unnecessarily pessimistic. They say that it is much too early to predict a fall-off in the increase in soya plantings. And they claim that the "non-traditional" markets such as the Far East and the Communist bloc have a large potential demand for Brazilian oil and meal. These markets are already growing fast and, they maintain, will continue to do so in the foreseeable future.

S.B.

BRAZIL'S SOYA EXPORTS (in metric tons)

	Beans	Meal	Oil
1972	1.0m.	1.4m.	59.000
1973	1.8m.	1.6m.	30.500
1974	2.6m.	1.7m.	10.000
1975	3.3m.	3.0m.	250.000
1976*	4.0m.	4.0m.	400,000

* estimate

Coffee

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e national economy."

th respect to the world et, coffee (followed closely ya) provides a few rays of line in what is otherwise a r gloomy panorama for the lian Government. World s moved steadily upwards e latter half of last year. New York "C" contract, for ery the following month, from 73.00 cents/lb. at the of July, 1975 to 95.45 cents e end of February. Then s really took off, hitting 0 cents at the end of June, ping slightly in July, and bing again to reach 165 s at the end of August.

the London exchange, the of robustas stood at £1,870 tonne at the beginning of ber, compared with £761 ugust last year. Thus in a spectacular fashion coffee leapt back to its old place razil's leading export. In the country earned 6m. from overall sales of n. 60-kg. bags. This year, e end of September it had dy earned $1.26bn. from of only 9.6m. bags, a value h represented nearly 18 per of the country's total rts in that period.

What has given the IBC its commanding position on the world market has been its stocks, allied with its power to control both the volume and the minimum price of exports. Brazil's crop in 1975 amounted to 23.3m. bags out of a total world production of around 72m. This year world production is estimated at about 60m. bags, of which some 42m. will be available for export, that is, 9-12m. below demand (unless consumption falls off drastically, which has not yet happened).

IBC stocks at the end of April stood at 12.9m. bags, and private Brazilian stocks at 11.3m. By careful manipulation of stocks, whereby exports are being held at around 1m. bags per month, the IBC remains the most important actor on the world coffee stage.

The latest official figure for this year's crop (including nil production in Parana) is 6.4m. bags, though it has been contested by growers and traders, who claim that 5.5m. bags would be more accurate. Given the size of the crop, can the IBC manage to keep the reins in its hands?

If exports continue at 1m. bags per month, if domestic consumption does not fall below 500,000 bags per month, and if the soluble coffee manufacturers maintain their monthly exports at 150,000-200,000 bags, Brazil's stocks by June, 1977 will be down to around 7m. bags—and that is not counting IBC sales to its foreign entrepots or the requirements of soluble manufacturers for the domestic market. The 1977 crop, which will be gathered in mid-year, is presently estimated at some 14m. bags; even if this is not an over-estimate, it is clear that the stock situation next year will become extremely tight.

This is obviously an important reason why Brazil has been trying to buy up coffee abroad. The only definite success so far has been in El Salvador, which agreed to sell 366,000 bags of mild coffee in a deal worth $100m. The beans will be processed into freeze-dried soluble and re-exported.

Such a move serves a double purpose—it takes the coffee off the world market, bringing an upward pressure to bear on prices; and it gives a big boost to Brazilian soluble manufacturers, who have traditionally faced hostility from their rivals in developed countries. An official of Interbras, the State trading company which negotiated the deal, commented that its worth to Brazil lay in sustaining world prices and in the added value of the subsequent re-exports would be $200m.

Though the Angola deal fell through, others have been tentatively reported—166,000 bags from Malagasy Republic, and 1.5m. bags over the next three years from the Ivory Coast.

In terms of marketing, then, Brazil has certainly profited from coffee at this time of serious shortage; and it is presently working hard to consolidate itself as a major soluble exporter in years to come. But whether its success can continue depends on how quickly the harvest climbs once more to the levels of old.

The frosts have undoubtedly persuaded some farmers to diversify to crops like soya and wheat, though to what extent is as yet difficult to estimate. To counter this tendency, £279m. is being invested this year in replanting and plantation improvements under the IBC Coffee Recovery Plan. Some 350m. new bushes will be planted, including 160m. in Parana, 80m. in São Paulo, and 50m. in Minas Gerais.

It is hoped that by 1979 production will once again stand at 28m. bags, but as no other country at present produces even 10m., Brazil has a good chance of maintaining its dominating position even if this target is not reached.

S.B.

BRAZIL'S COFFEE EXPORTS. JANUARY-SEPTEMBER. 1976

Month	Green coffee $m.	Soluble coffee $m.	Total $m.	Volume in 60 kg bags
January	72.9	11.7	84.6	919.000
February	84.3	12.1	96.4	879.000
March	85.2	15.0	100.2	867.000
April	86.2	19.6	105.8	886.000
May	97.9	19.7	117.6	919.000
June	287.9	13.3	301.2	2.137.000
July	139.6	19.2	158.8	1.035.000
August	126.6	21.3	147.9	986.000
September	136.5	15.1	151.6	951.000
Total	1.117.1	147.0	1,264.1	9.599,000

Source: IBC data and Press reports. Figures rounded.

The motor industry—consisting almost entirely of local offshoots of the international car giants—has taken a sharp knock from the big increase in fuel prices. But the export programme, under Government urging, is beginning to show promising results.

Pushing car exports

"UEKI SURPRISES the manufacturers with restrictions on diesel engines" read the headline refering to the Energy Minister's recent decision not to authorise the production of passenger cars running on diesel oil. The decision itself is not really so surprising, but it provides an interesting example of the kind of dilemma which is being posed these days for the Government by the automobile industry, the driving force behind the "economic miracle" back in the early 1970s.

Brazil will be paying nearly $4bn. on oil imports this year, a figure which the Government would clearly like to reduce. Up to the middle of this year, it charged more on petrol in order to subsidise the price of diesel oil, and thus reduce industry's transport costs. This, allied to the fact that in the long term diesel is a more economical fuel, inspired among manufacturers the idea of putting diesel engines in passenger cars — Volkswagen, General Motors and Chrysler all began projects to develop engines for this purpose, and it was confidently expected in the early months of the year that the Government would co-operate.

Switch

A simultaneous result of the relatively cheap cost of diesel was a hefty switch-over to diesel lorries. From 1974 to 1975, sales of diesel as opposed to petrol lorries rose from 58.8 to 76.8 per cent. of total lorry sales. This year the proportion will be even greater, as production capacity for diesel engines is expanding rapidly, though even so, not rapidly enough to keep up with demand. Among other projects, Perkins is to raise production from 55,000 to 75,000 engines this year; and the new Detroit Diesel Allison do Brasil plant, belonging to GM, has come on stream and will supply 40,000 engines a year when in full production.

DOMESTIC SALES OF THE CAR INDUSTRY

January-August 1976

Company	Cars: Sales	Cars: Percentage variation over Jan.-Aug., 1975	Lorries: Sales	Lorries: Percentage variation over Jan.-Aug., 1975	Value of Befiex programmes and year in which begun
Volkswagen	309,602	− 0.8	—	—	$1.0bn. (1973)
Ford	87,572	+ 10.0	10,309	+ 4.0	$1.0bn. (1973)*
General Motors	96,729	+ 12.6	5,807	− 39.1	$1.0bn. (1976)
Chrysler	11,079	+ 18.8	3,282	− 3.4	$314.5m. (1973)
Mercedes Benz	—	—	25,968	+ 10.3	$500m. (1976)
FNM	2,900	+ 15.3	2,602	+ 5.1	$400m. (1976)
Saab Scania	—	—	2,748	+ 31.4	Not yet announced
Fiat	—	—	—	—	$550m. (1977)
Volvo	—	—	—	—	Not yet announced
Total	*507,882*	*+ 3.8*	*50,716*	*− 0.5*	

Source: Data published by ABRAVE (Car Dealers Association).
* In conjunction with Philco subsidiary.

The effect of this trend on fuel consumption is that, while petrol sales have risen by a mere 2 per cent. this year, diesel has gone up by 19 per cent. and is likely to keep on rising. It was in the hope of holding it back that the Government decided to phase out the subsidy in mid-year, a decision which aroused little interest in the Press here.

And the other effect was the decision not to authorise the production of diesel-engined cars, which would have raised diesel consumption even more. Furthermore, a big change in the relative consumptions of petrol and diesel would require costly modifications in the oil refineries, clearly the last kind of expense that the Government wishes to incur at present.

An increase in lorry production in general, coupled with a dampening-down of the passenger car market, has been Government policy since the oil crisis hit Brazil in 1974. So far the results as far as lorries are concerned have not been impressive, production remaining virtually static at 70,920 in 1975 and showing no increase as yet in 1976.

But a major factor in this situation has been a vertiginous drop in output at GM due to the extreme shortage of diesel engines, a situation which should now be remedied by the new Detroit Diesel plant. In the long term, productive capacity should increase considerably—Mercedes Benz, which controls almost 50 per cent. of the market, is constructing a new factory in Campinas which should raise the company's overall capacity from 43,000 vehicles (including buses) in 1975 to 65,000 by 1980.

And Volvo is awaiting the final Government go-ahead to become the newest multi-national vehicle-builder in Brazil—its £29m. project involves a heavy lorry factory in Curitiba, Parana, which will produce 875 units in 1978, rising to 6,000 in 1987.

But it was in the passenger car sector that the oil crisis was expected to cause most damage. And indeed sales have suffered, rising by only 3.8 per cent. to 729,372 units in 1975, compared with the 18 per cent. growth that had been recorded the previous year. Up to August this year sales were again 3.8 per cent. up on the same period last year.

However, the most striking development was rather unexpected. This has been the fast growth in sales of lower-medium price cars, particularly VW's Brasilia estate car, and the simultaneous decline of the cheapest models, the VW 1300 and 1500 Beetles. Up to August this year sales of the Beetle were down by 8.1 per cent. to 124,670 units, while sales of the Brasilia, the first mass-produced model designed completely in Brazil, rose by 26.2 per cent. to 88,801 units.

Other models in the same price range as the Brasilia have also been selling well, the Ford Corcel (up 11.7 per cent. to 49,188), GM's Chevette (up 21.0 per cent. to 48,038) and Chrysler's Dodge Polara, which is based on the Hillman Avenger (up 47.3 per cent. to 8,482).

Watched

It is precisely this sector of the market that is now being anxiously watched by Fiat, whose operation in Brazil begins in earnest at the São Paulo Car Show in November, when the Fiat 147, a modified version of the 127 estate car, will be officially launched. The 147 was originally going to slot between the Beetle models and the Brasilia. Although its price has not yet been definitely fixed, a Fiat spokesman said recently that it will cost about the same as the Brasilia. The strong point of the 147 is supposed to be its economical fuel consumption, on the other hand, the Brasilia is a tried and t[...] model that will sell a[...] 130,000 units this year.

Fiat originally planne[d to] market 20,000 units this [year] rising to 100,000 in 1977, b[ut it] is obvious that this will b[e no] easy job—the market is no[t big] enough for both models. In[deed] there are signs, though no[thing] has been said officially, [that] production at the Fiat pla[nt in] Belo Horizonte is already b[eing] scaled down. Stocks in [early] October were at 2,500, a[nd if] production is not raised [con]siderably from its presen[t ...] units per day, by the en[d of] the year less than 7,000 [cars] will have been manufactur[ed].

In view of the damped-[down] domestic market, it is to ex[pect] that auto manufacturers [are] looking for rapid growth. [All] the multi-national man[ufac]turers, including Volvo and Alfa Romeo/Fiat-owned F[NM] have signed Befiex agreem[ents] whereby they undertake [to] export a certain value of g[oods] over ten years in exchange [for] tax exemptions to between [one-]third and one-half of that v[alue] on their imports.

The value of Befiex ex[port] programmes so far agreed [by] car companies totals $4.[...] This figure should be bala[nced] against the total outflow of f[...] of imports, technology paym[ents] and profit and dividend re[mit]tances, overall figures for w[hich] are hard to come by. Howe[ver] it is known that the outflow[s for] which car companies are res[pon]sible makes a considerable [con]tribution to Brazil's balanc[e of] payments deficit, which is [...] the the Government is so k[een] to encourage them to export.

The export programme so [far] is proceeding satisfactorily, w[ith] earnings rising from a neglig[ible] amount at the beginning of [the] decade to $326m. last year, [of] which the biggest single sh[are] was VW's, $124m. This y[ear] exports are expected to be wo[rth] around $400m., and they are [in] the forefront of Brazil's pe[ne]tration of new markets, part[icu]larly in Africa (includ[ing] Nigeria, Zaire and South Afri[ca]) and the Middle East (includ[ing] Iraq, Kuwait and Saudi Arab[ia]).

S[...]

Attempts to clear areas of the great rain forests of the Amazon to make way for cattle and other farming, have so far met with mixed success. Part of the problem seems to be the lack of any real organised plan for this ambitious project.

Farming the Amazon

"THE POLICY of developing the Amazon for cattle has up to now had more or less disastrous consequences. Nobody knows what grass to use, what cattle, or how to manage the farms. People just say, 'We think it will work.'"

Cattle-ranching is the third attempt to find an agricultural vocation for the Amazon—that half of Brazil which is still almost entirely covered by tropical rain forest. The first was rubber, which grows wild in the jungle and which provided a spectacular economic boom at the start of the motor car era, only to be rudely aborted by the establishment of British-run plantations in Asia.

The Brazil nut trade, also based on a native species—a palm that soars 100 feet or more high, bearing nuts in heavy casings that provide a lethal danger for anyone walking below — has likewise withered. Hit by transport and other costs, the Brazil nut has all but priced itself out of the market. Warehouses in Belém port are full of them.

Grafted

The difference with cattle-farming, which began in earnest when new roads started to be opened up a few years ago, is that it has been grafted on to the region, and before full account has been taken of the effects of the graft or its chances of success.

The impact on some regions, such as around the Brasilia-to-Belém highway, is tremendous. Ranches, sometimes extending to hundreds of thousands of acres, have been carved into the forest, and some claim the devastation is already beginning to change the climate. U.S. and other scientists have warned that if the process were continued uncontrolled, the world's biggest broad-leaf forest would soon turn into a dust-bowl. It is estimated that last year alone the area of forest cleared for cattle or crops was equivalent to that of Portugal.

Even on an economic basis it is clear that many farmers have gone in blindfold—led by obscure hopes and nominal land prices (sometimes as low as £1 an acre). The Amazon is still looked on as a gamble, and the game is played by trial and error. For instance, rice has been successfully grown in several areas and by Indian tribes. But the excess production, by the time it has been shipped to the Atlantic, has generally become too expensive to export. Around Manaus, the city which received the extravagances of the rubber boom, small farmers, mostly Japanese immigrant families from the south of Brazil, have started growing vegetables such as tomatoes and carrots. They lose a large part of the crop, and the results, which a grocer anywhere else would probably throw out, are sold at absurd prices (tomatoes at £2.60 a kilo).

Some products have been successfully cultivated, such as melons, which are now shipped from the Amazon for sale in supermarkets in the south, where "Produce of Amazonia" labels are a rarity. But most farmers have a tough time with climatic conditions, and the soil, support as it may a lush and varied forest, is mostly poor. This means that on much of the land there is not much that can be done besides raising cattle or buffalo. There are large areas of sandy *campinas*, which as far as anyone knows are useless for anything except building materials. On the other hand, a few areas of reasonable or good land have been identified—for instance, in Rondônia, where a cocoa-growing project is being started. Recent surveys have also indicated that some parts of the region are suitable for coffee, which the Government's set[ting] the growing of which is gra[du]ally being shifted north a[way] from the traditional areas wh[ere] it is subject to frost.

High hopes are attached [to] the cocoa scheme in Rondô[nia] [...]

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BRAZIL IX

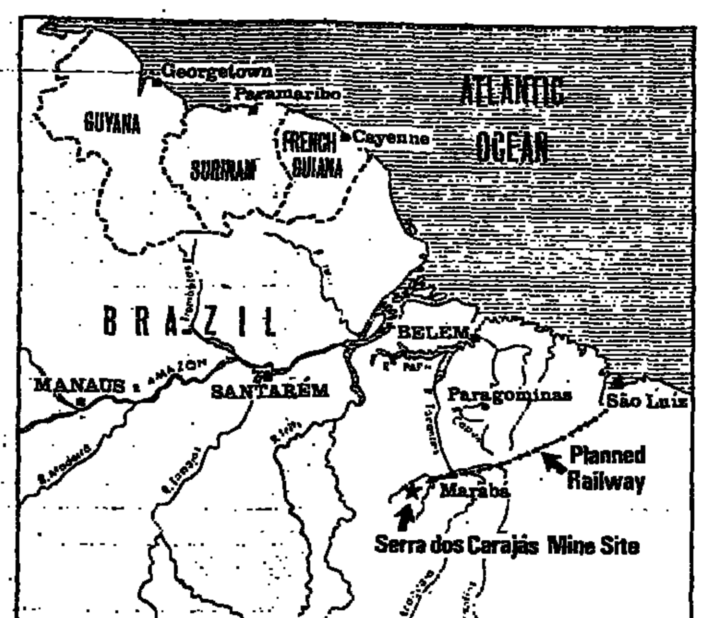
The prospector's dream of mountains of solid gold has almost happened in Brazil—except that the metal is iron, billions of tons of it. This find, plus large quantities of other valuable industrial minerals, in the remote Amazon region has opened up exciting prospects.

Minerals galore

SERRA dos Carajás ...ains in the eastern ...must count as one of ...her wonders of the world ...so much because of the ...and beautiful combina... mountain and jungle, ...its abundant plant and ...life, but because, stand... here, 2,500 feet above sea ...you have your feet on ...d lump of iron.

...Serra contains what is ...ne the world's largest ...reserve of iron ore, dis...ed by accident in 1967 by ...team which had been out ...g for minerals further ...along the River Xingu. ...ding to the company now ...g the operation, a joint ...re between U.S. Steel and ...e State-controlled Com... Vale do Rio Doce ...), the mountains con... least 17.8bn. tonnes of ...re, of which 15.7bn. are ...ade (Fe content of 64 ...over). The remaining ...are also considered com...al, with an iron content ...tween 55 and 64.

...things go well, the mine ...tart operating in 1980 or ...and be exporting 50m. ...a year five years from ... The first mine shaft to ...nto operation, known as ...will be able to supply the ... of this output for 50 ...and it will be between ...nd 400 years before the ...runs out and the iron ...tain is flattened.



...oblems

...things are not going very ...and it looks as if the ...t will fall further behind ...ule — it was originally ...ed to start producing at ...ate of 12m. tons in 1979. ...problems are partly of ...port, which have in theory ...resolved, and partly of ...have become very obvious ...ilties between the two ...partners. CVRD, which ...long experience in iron ...g, holds 51 per cent. of ...equity and has taken over ...most important jobs on the ...nistrative side.

...ts of U.S. Steel's present ...er cent. stake are due to ...ld off—5 per cent. to British ... which wants to import ...re of the ore, 5 per cent. ...tos Hornos de Vizcaya of ... and 10 per cent. to a ...ese consortium. It is still ...ar whether U.S. Steel will ...to reinforce its position in ...running of the mine or ...ff another part—or even ...f its shareholding. Other ...pean steel companies have ...a interest. In any case, ...ost during the past two ... of deliberations has more ...doubled to around $3bn. ...e settlement at the mine ...set on a bald patch on ...mountain top, is a lonely place. The nearest humans are jungle Indians and they are a quarter of an hour's flight away. The wooden buildings put up by the Americans before the joint venture, Amazônia Mineração (AMZA), was set in motion two years ago, stand unaltered — laboratories, workshops, a radio station, canteens, a recreation room, a splendid guest house and workers' chalets which sleep 300 or so, two or three to a room. Women are banned, and so is drink except on Saturday night in the casino, where gambling is prohibited.

Pay starts at £9 a week, and employees are flown back free for their five-days-a-month leave to wherever they were recruited. The company runs two well-used DC3s between Belém and the mine, and three helicopters.

The site has only just become accessible by land—by means of an 88-mile private road through the jungle, linking with another minor road which is 71 miles from the nearest town, Marabá. Marabá is where Brazil nuts come from.

In order to transport the ore, AMZA plans to build a railway 560 miles long, to São Luiz, capital of the neighbouring State of Maranhão, the nearest place it believes it can practicably establish a deep-water harbour.

Initially, a big steel mill was planned nearby, between Brazilian State interests and Japan's Nippon Steel, but the Japanese lost interest and the project has been shelved. Even so, with the new iron ore port, the sleepy colonial town of São Luís will not know what has hit it.

The railway has been a much debated subject. Many argued that the ore could be sent more cheaply to Belém, by making the River Tocantins navigable to large vessels. But the railway is now definitely on, at an estimated cost of $1.2bn.—the bridge over the River Tocantins alone will cost $20m. It is the second attempt ever to build a railway in the Brazilian Amazon—the first having been made in 1912-17 in the far west of the country, giving Bolivia a trade link with the Amazon river network—and will be the only one in operation.

The mountains have also shown up reserves of manganese and bauxite, but AMZA is not planning to mine these at present. Manganese and bauxite are the two other minerals which already have abundant proven reserves in the eastern Amazon region.

The hope of hidden mineral wealth in the Amazon—which people have believed in for a long time on the basis of faith rather than evidence—is beginning to come true. This is particularly the case in the older geological structures lying either side of the river.

In the north the Trombetas River, a tributary of the Amazon, runs next to an estimated 500m.-600m. tons of bauxite, which is already being developed by CVRD, Alcan and a group of other foreign companies. Rio Tinto Zinc holds a 5 per cent. stake in this mine, which is due to produce 3.35m. tons in three years' time and 10m. tons in 1985. Apart from supplying an export market—Alcan has reserved part of the output—the mine will supply a $1.3bn. alumina and aluminium complex which Japan and Brazil have agreed to build 30 miles outside Belém—over 600 miles away.

RTZ has another bauxite deposit near Paragominas, south of Belém, with reserves currently estimated at 100m. tons. The company will complete a feasibility study next year and is likely to go into another joint venture with CVRD to run the mine. From the Trombetas to the River Jari further to the east there are other bauxite reserves, which both Alcoa and the U.S.-owned company Jari Florestal have shown an interest in exploiting, and there is more bauxite in Maranhão state.

Biggest

The biggest reserve of manganese is at Serra do Navio in the territory of Amapá, where Icomi, a joint venture between a Brazilian businessman, Sr. Azevedo Antunes, and Bethlehem Steel, is already geared to exporting 1m. tons annually. There are three other manganese deposits near Marabá, estimated at 10m. tons apiece.

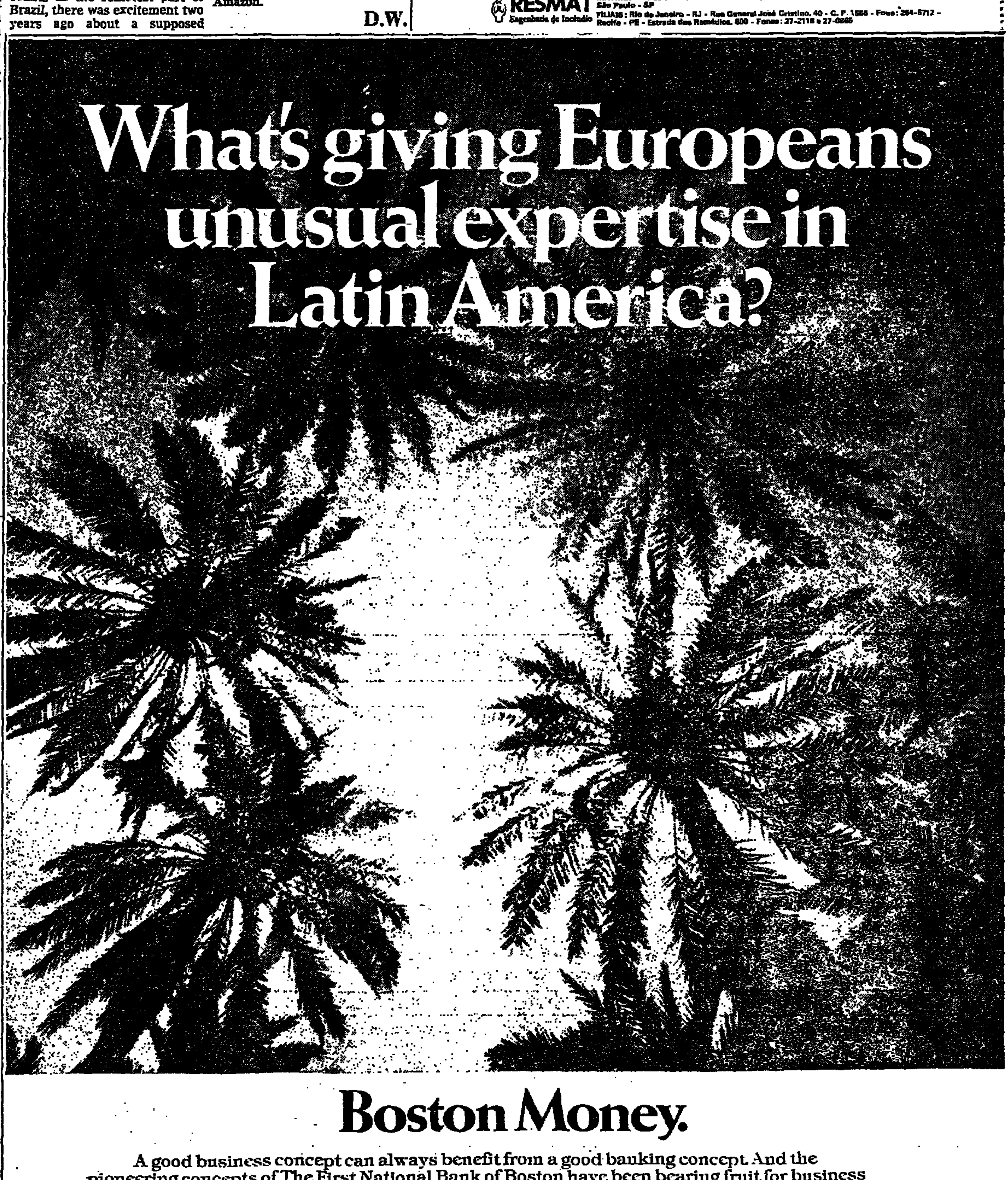
As well as this, and apart from more iron ore, china clay has been found in large quantities both north and south of the mouth of the Amazon, diamonds and alluvial gold on the River Tapajós and in the territories of Roraima and Rondônia, and there are signs of copper, zinc and lead.

In Roraima, which probably counts as the remotest part of Brazil, there was excitement two years ago about a supposed uranium find. But the area, known as Surucucu, has turned out to be full of cassiterite instead. Nonetheless, amateur prospectors have had their go, as they have with gold and diamonds elsewhere—until this month, when the Government decided to close the Surucucu mines. There are problems with local Indians, and the Indian authorities want the reserves to be exploited rationally by CVRD.

Big reserves of cassiterite also exist in Rondônia, where mining, done by hand until a short time ago, has now been mechanised. Output by the old method reached a summit of 4,700 metric tons in 1970, whereas this year's production, run by several companies including a subsidiary of the Canadian-owned Brascan group, is put at 7,000 tons. This is enough to satisfy all Brazil's internal demand, making about 4,900 tons of tin, 500 tons more than is needed.

There remain large areas where exploration has hardly begun. The first thorough maps are being drawn up by means of a painstaking aerial radar survey, which has now covered all the eastern part of the region. Within the next year, Brazil should have a clearer idea where the potential mineral areas are in the underpopulated and inaccessible western Amazon.

D.W.



...arming

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...agency, Incra, wants to ...into the second most ...nt producing area. Brazil ...among the major cocoa ...cers, but almost all its ...ction comes from one area ...e north-eastern State of ...

...wever, all these projects ...a strong admixture of un...nity. I talked to a farmer ...ndônia, for instance, who ...convinced that growing ... on cleared land was a ...ke, that the reduced ...nt of moisture was ab...d by rapidly-growing ...ia trees, and that cocoa, ...tive of the forest, should ...rown under tree cover.

...e hit-or-miss conditions ...apply in the areas now ...occupied doubtless contri... to social tensions, and ... believe will lead to a ... proportion of immigrants ...ng out after a few years. ...e are those who argue, too, ...Brazil has a great deal of ... elsewhere that is not in ...only 4 per cent. of Brazil's ...area is under cultivation, ... about 40 per cent. of its ...people live on the lands ...i that the ecological risks ...eveloping the Amazon are ...reat. These arguments are ...l partly on observations on ...tions in rainfall in develop... areas — evaporation from ...trees provides much of the ...ture—and partly on convic... that the land is not usable. ...real problem, however, is ... the sum of knowledge ...t what can be done with ...Amazon is still minute.

...e National Institute for ...zonian Research (INPA), ...l in Manaus, has only had ...agricultural section for a ... headed by Sr. Alejo von Pahlen, an Argentine of ...ean origin, who is quoted at the beginning of this article. Otherwise, a limited amount of research — into, among other things, pastures—has been carried out by a semi-autonomous farm technology unit, Embrapa, set up by the last Government.

A pioneer research project, set up by the University of Matto Grosso at Aripuanã, deep in the forest, was found after three years to be less than half-way through its schedule, with many of the purpose-built installations in disuse. INPA has now taken the project over, using it as a field station to study different kinds of soil, trees and fish.

INPA has conducted experiments in soyabeans and other crops that may be adaptable to the conditions. One of the problems is that the richest soil—27,000 square miles of river valley, where the Amazon and its tributaries bring silt down from the Andes—can only be used during six months of the year, when the flood waters have subsided. Jute is being grown around Manaus, and rice in the Belém region, on this half-the-year basis. With dyking the possibilities would obviously be greater, but this has only been done in one case—the private estate of Mr. Daniel Ludwig, the U.S. shipowner, who is getting two rice crops a year.

Trials are also being made with native fruits and other products, which are still largely unknown outside the Amazon. Setting up orchards of both mixed and separated species, INPA is trying to whittle down the risk of disease and make cultivation a practical venture. The Amazon has 135 different kinds of fruit, some of which—such as a cross between an apricot and a peach, which can be found in the market in Belém, or the delicious açaí berry used by ice-cream vendors in Para State—are obviously exportable in raw or processed form. Instead, the middle-class of Manaus eats marmalade shipped in from England.

One of INPA's aims is to lay the basis of an agricultural and agro-industrial economy without disturbing the ecological balance of the region—in fact, by imitating the forest. It has found, for instance, that some plants in the forest serve to enrich the soil, by gathering from the air the nitrogen in which the soil is deficient. Three special forest reserves have been set up, one to be kept aside untouched, the other two to experiment with plantation forestry.

So far, the only forest industries—rubber, cocoa, or guaraná (an Amazon fruit used to make a fizzy drink, greatly favoured by the Brazilians)—have been extractive, although here again Mr. Ludwig on his huge farm has broken new ground by planting gmelina trees from West Africa. Potentially, Brazil could easily dominate the market for tropical wood species.

But there is still a long way to go in all areas. The crop that has survived best, the tubular manioc root which in the form of flour forms part of the Brazilian staple diet, would probably now be considered useless had not the Indians evolved ingenious methods of processing it into something non-poisonous and (once you are used to it) nourishing. "The Indians," said Sr von der Pahlen with a smile, "did a lot of research."

D.W.

Construction of a giant dam on the River Parana, the boundary between Brazil and Paraguay, is the first step in a hydro-electric programme designed to remedy the power shortage threatening industrial expansion. A joint venture by the two countries, it will dwarf all existing dams.

Boost to power supply

TO THE Guarani Indians, Itaipú is "the rock that sings." In dry weather it just breaks the surface of the water, dwarfed by the might of the Paraná River, which flows 2,500 miles from the middle of Brazil to the River Plate estuary. It is in the process of being dwarfed again, by a 694 feet high dam named after it. The dam, a joint venture between Brazil and Paraguay, which have the river as their border, is to produce 12,600 MW of electricity when it is finished (maybe) in 1988, at an estimated installation cost, at current exchange rates, of $U.S.6bn.

To give an idea of the size of the project: Paraguay, under the treaty an equal partner in the scheme, has a total electricity consumption equivalent to one tenth of the output of one of Itaipú's 18 turbines (by selling its share to Brazil it will have an unassailable place as the world's largest exporter of electric power). Itaipú's production will be six times that of Egypt's Aswan dam, and bigger than any of the other giant hydroelectric plants—Gran Coulee in the U.S., Canada's Churchill Falls or the Soviet Union's Krasnoyarsk (about half the size). It is also, of course, the biggest thing Brazil is building, and for Paraguay almost unimaginable.

Including the dykes to either side of the main dam, it will stretch over five miles. In order to divert the river for the main construction work to start, 22m. tons of rock have to be shifted. Already the Brazilian side of the wooded river canyon is half carved away in order to make the channel. The dam work will use up 2.5m. tons of concrete and 225,000 tons of steel. To those figures might be added the size of the first construction contract — 220 lb. of it, with 64 signatures, awarded to a consortium of builders from the two countries for the initial clearance work. This contract is only $300m. of the total, but is easily the biggest civil construction order in either country.

About 25,000 workers are to be employed on the site over the next few years. Under the agreement of strictly equal shares (although Brazil is going to use the electricity and will have to put up most of the finance) the workforce is to be half Brazilian and half Paraguayan — an aim that may prove difficult to achieve, since thousands of Brazilians have turned up in the nearby town of Foz do Iguaçu in the hope of jobs, and part of the available Paraguayan workforce will be engaged to two other joint ventures with Argentina further down-river, the Corpus and Yacyretá-Apipé projects, 5,000 and 4,000 MW apiece.

Manpower

There may well be a rush on manpower—mostly skilled or semi-skilled — as the three countries try to get all their projects under way. Itaipú has already absorbed most of the workforce which has completed two smaller plants in Paraguay. "Something will have to be done," an Itaipú company executive said. "We can't afford to inflate the cost." It might mean, for instance, banning Brazilians from working on projects in Argentina.

Free housing is being provided for part of the workforce —4,000 homes on each side of the river. So far 760 cottages for skilled workers have been put up outside Foz do Iguaçu, on a recently excavated lot. There is a new schoolhouse being built and other facilities installed, but the clinic already has the dejected air of a disused cricket pavilion. On the opposite hill lie the tidier executive villas.

Work started in October 1975, seven months after the date originally set. The joint venture produced a series of problems, resolved by setting up a consortium of six Paraguayan companies and four Brazilian, which partly disguises the fact that the Brazilian partners have a 70-80 per cent. share of the work.

Then there were wage rates to be settled. It is an oddity that Paraguay, with a per capita income of a third of Brazil's $750 a year and one of the poorest countries in the Western hemisphere, has a minimum wage considerably higher than Brazil's (about £40 a month). The rate finally set for unskilled workers was between the two.

It took several months for Brazil to get round the problem of its new import controls on machinery. Some equipment had been waiting for shipment most of this time. The Government has now decided to exempt all imports for Itaipú as long as the machines are not used elsewhere—making the dam project area a kind of duty-free zone.

Lastly, Paraguay and Brazil have different frequencies, 50 and 60 Hz respectively. Although Paraguay may not be using any of the power, the question has to be settled whether it is easier to instal adaptable generators or to adapt Paraguay.

The problem of the Parana being an international river, which caused a series of diplomatic hagglings with the Argentinians, appears to have been defused by the advent of military rule in Buenos Aires.

However, fresh uncertainties have arisen on the Brazilian side, where it is feared that threatened cuts in Government spending may delay the project, which is due to have its first turbine working in 1983, and there is even talk of reducing its scale. But company officials say that 80 per cent. of the finance is already vouched for, and the chairman, Gen. José Costa Cavalcanti, a former Interior Minister, insists that the project is going to plan.

Flooded

The dam will create a reservoir covering 610 square miles and 125 miles long, flooding out a magnificent series of waterfalls further upriver, the Seven Falls or Salto del Guairá. "We sometimes have to make choices," said the man from Itaipú Binacional. This will mean moving 20,000 people out of the valley; they are to be paid for the land and allowed to farm there for another five years, until it is flooded.

There is an "expansion possibility" of a further 7,400 MW, making a total of 20,000, or more than Brazil's installed capacity at present. In 1986, Brazil plans to have between 62,000 and 68,000 MW on tap.

Itaipú will be connected [...] national network, and Brazil [...] promised to buy whatever po[...] is available.

Even with Itaipú, Brazil [...] faces the prospect of a po[...] shortage soon after it is [...]pleted.

The main contracts for It[...] have still to be decided, but [...] Americans, Canadians and [...]sians appear to be the front [...]ners. However, it is hoped [...] most of the components [...] much of the construc[...] machinery—such as the 6[...] trucks being brought in for [...] clearance work—will be m[...] locally.

Of the finance, Brazil h[...] to provide between 60 and [...] per cent. from its electric [...] company, Electrobrás [...] Government finance institut[...] A further chunk will com[...] suppliers' credits, leaving [...] estimated 17 per cent. to be [...]rowed on the international [...]kets.

The impact of Itaipú on [...] region will be enormous [...] though quite what happens [...] construction stops is uncer[...] There have been ideas [...] "riviera" on the reservoir, [...] a fishing industry. Up to [...] Foz do Iguaçú has depende[...] smuggling—now shifted fu[...] upriver since the area [...] national security zone— [...] tourists going to see the Ig[...] waterfalls on the Brazil-A[...]tine border (these are [...] affected by the scheme), as [...] as nipping across to lose m[...] in the casino of Puerto P[...]dente Stroessner.

D

Dr. Cervellini, Director of CENA (Centro de Energia Nuclear na Agricultura) in front of a greenhouse o[...] the campus at Piracicaba.

World concern over the spread of nuclear technology caused some criticism of the 1975 agreement between West Germany and Brazil. But the two partners argue that with Brazil's well established scientific base, the agreement makes good sense.

Nuclear research

AS THE Germans see it, the Brazilian-German nuclear agreement of 1975 is the outcome of a rare, perhaps even unique, set of circumstances in which they have found a particularly receptive customer for its latest nuclear technology. Interviewed recently by the *Financial Times*, Mr. H. H. Haunschild, State Secretary at the Ministry of Research and Technology in Bonn, said that since signing Germany had received many requests for Brazil-type agreements — "from countries with one professor of physics"—inviting it to provide them with a complete nuclear industry package, including all the advanced technologies of the fuel cycle.

The difference with Brazil, emphasised Mr. Haunschild, was that it already had a good scientific (as well as industrial) base, with which Germany was already familiar through inter-governmental agreements covering, for instance, nuclear and space satellite research. An agreement in which nuclear technology was transferred with a gradually falling German industry component over the next decade or so therefore made sense between these two nations.

The nuclear research base of Brazil is founded in the National Nuclear Energy Commission (CNEN), set up in 1956, five years after Brazil established a National Research Council. Under the chairmanship of Professor Hervasio G. de Carvalho, CNEN's principal missions to-day are to help the Ministry of Mines and Energy formulate national nuclear energy policy; to train scientists and other skilled people, including nuclear plant operators; to create a national licensing and regulatory body for the safety of nuclear installations and their emissions; to help build up the embryonic Brazilian nuclear industry's research and development capability (Nuclebrás, for example, plans a big technology centre near Santa Cruz); and to search for indigenous uranium resources.

Time scale

This is a formidable programme in view of the timescale the Government has set for its nuclear programme of 10,000 MW installed by 1990 and all the facilities to fabricate fuel. Professor Carvalho admits that it will tend to dominate the science and technology resources of Brazil—"that is why we're so pre-occupied." Despite the transfer of many key staff to Nuclebrás since this State-owned holding company for nuclear manufacture was set up two years ago, CNEN still has a staff of well over 400, and a budget this year exceeding £20m. But its training programme alone calls for the provision of 10,000 trained staff over the next decade, for which the Government is allocating £100m.

CNEN's research centre, the Atomic Energy Institute, is in São Paulo, where in 1957 its swimming-pool-type research reactor became the first to go critical in Latin America. The reactor is a source nowadays of radio-isotopes for gamma radiography, and has been supplemented as a research tool by other research reactors in Rio and Recife. The institute itself has had a major programme on the industrial and medical application of radio-isotopes, notably in the search for natural resources for engineering inspection, and for the sterilisation of foodstuffs and medical supplies in a tropical climate.

Brazil's outstanding example of the application of nuclear science to an industrial situation can be found at Piracicaba, a small town about 100 miles west of São Paulo, in an agricultural region dominated by sugar cane and citrus crops. The agricultural college of the University of São Paulo is centred here, and ten years ago set up a joint enterprise with CNEN, in the shape of the Centre for Nuclear Energy in Agriculture (CENA). Its aim is to improve agricultural productivity in Brazil by research and training, and to this end it has received substantial support from other nations through International Atomic Ene[...] Agency and the United Nati[...] Development Programme.

In a specially invited pa[...] to the recent general confere[...] of the IAEA in Rio, Profes[...] Admar Cervellini, CEN[...] director, described the resea[...] programme of an instit[...] employing 35 scientists and [...] budget of about £800,000 a y[...] —80 per cent. of which is fo[...] by CNEN. One of the ea[...] decisions was to focus on [...] declining productivity of [...] common bean (Phaseo[...] vulgaris), the most import[...] source of protein for [...] nation's 110m. people. Br[...] is the world's largest produ[...] of this crop, and CENA's [...]search is integrated with [...] National Bean Project, [...]ordinating all relevant resea[...] in the country, and collabor[...]ing with other natio[...] institutes, such as Columbi[...] CIAT.

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...ister Paulo Nogueira Batista, president of Nuclebrás, with a model demonstrating "jet nozzle" uranium enrichment at a public exhibition of the nuclear power programme in Rio de Janeiro.

The sheer size of Brazil is a recurring problem in most of the country's development plans. So despite its wealth of indigenous fuels and hydroelectric potential, the country, because of transport and transmission difficulties, has launched a "crash" programme for nuclear power.

Nuclear power

...LIAN officials believe ...n launching a major ...power programme with ...operation of West Ger... ...ast year, their intentions ...een sadly misunderstood. ...ue that there are some ...al grounds for suspicion ...ateral nuclear treaties ...n these two nations, dat... ...k to an abortive post-war ... develop German ideas ...ranium enrichment in

No less is it true, how... ...hat Brazil can make a ...rong case for investing ...lear energy rather than ...lternative indigenous ... of energy.

...he face of it Brazil has ...se hydro-electric poten... ...erhaps 120,000 MW, of ...only one-sixth is being ...sed at present. It already ...well-developed manufac... ...capability for hydro- ...achinery in capacities as ...s 700 MW. It also has ...of coal. Why then should ...d to talk of a "crash" ...r programme providing ...MW of nuclear capacity ...90, backed up by a com... ...fuel cycle capability? ...the cost and the risks of ...project for a developing ...outweigh any economic ...tages that might be fore-

...tances

...zil's foremost problem in ...spect is its vast land area. ...untapped hydro-electric ...ial is mostly about 2,000 ...from its fastest-growing ...entres in the South-East, ...d on Rio de Janeiro and ...aulo. This area needs an ...onal 5,000 MW of electri... ...nnually at present rates ...wth. Transmission losses ...not to mention the ...nse task of spanning such ...ces with extra-high volt... ...ansmission lines, preclude ...tempt to meet the demand ...hydro resources.

...for fossil fuels, although ...abundant their quality is ...— the coal is high in ...ur content and the natural ...pockets are lean and ...red. An accelerated search ...esh mineral resources has ...to show promise in the ...of coal, but not of an order ...hich any Government could ...a power programme for ...uture. About 1,000 MW of ...plant is under construction ...e south.

Brazil originally expected the U.S. to be its partner in developing an independent nuclear energy capability. At Angra dos Reis—"Anchorage of the Kings"—about 200 km. down the coast from Rio, Westinghouse Electric is close to completing Brazil's first nuclear plants of 625 MW. It takes its official name from Admiral Alvaro Alberto, the country's first nuclear chief and visionary of a nuclear future for this vast country.

At Angra what is reputed to have been one of Brazil's most beautiful beaches has been scooped out to provide firm foundations for the first three nuclear plants. The first is scheduled to produce power in 1978, while foundations for the second (1,300MW) are being prepared, and the third will be started next year. By the mid-1980s over 3,000MW of nuclear electricity will be generated in this coastal hollow and will climb the densely forested surrounding mountains to feed the voracious industries inland.

Angra 2 and 3 reactors, although of the same basic type — pressurised water reactors — as the first, are being constructed by the West German group Kraftwerk Union. Enthusiastic though U.S. industry was to fulfil Brazil's aspirations, the U.S. Government would not countenance Brazil's requests not only for reactors but for technological assistance in building an independent nuclear fuel manufacturing and recycling industry. The request meant transferring so-called "sensitive technologies" such as uranium enrichment, which the U.S. Government had permitted to no other nation.

Brazil turned to Germany, with which it had strong industrial links—most major German manufacturing companies have Brazilian subsidiaries—and also an inter-governmental research and development exchange agreement. The Germans were only too ready to provide reactors. But as partners in the Anglo-German-Dutch enrichment project they were acutely aware of the political trouble it would cause if they offered Brazil gas centrifuge enrichment technology.

Instead they offered their own "back-up" technology, known as the nozzle or "stationary-wall centrifuge" enrichment process. In addition they undertook to help Brazil develop the technology for recycling spent nuclear fuels, including separation of plutonium.

At the end of 1974 the Brazilian Government set up Nuclebrás, a State-owned company with an authorised capital of $100m., as its main agent of nuclear policy, with one of the country's best commercial minds at its helm in the shape of Mr. Nogueira Batista, its president. The National Nuclear Energy Commission (CNEN) was given the tasks not only of providing R and D support but of organising a major training programme and creating a licensing and safety authority.

Meetings

Last month the first shareholders' meetings were held in Rio of a series of five subsidiaries of Nuclebrás, jointly owned with German industry. These are Nuclep, a consortium which includes KWU, GHH and Voest-Alpine from Germany, and which plans to build a factory for major nuclear components such as pressure vessels, pressurisers and steam generators; Nuclen, a design and construction group in which KWU has a 25 per cent. shareholding; Nuclei, the subsidiary which will build and operate an enrichment plant, of which the German groups STEAG and Interatom hold 25 per cent. apiece; Nustep, a development company equally owned by Nuclebrás and STEAG for the development of the nozzle process of enrichment; and Nuclam, a Brazilian uranium prospecting group owned 51 per cent. by Nuclebrás and 49 per cent. by Urangesellschaft, the German nuclear fuel company. In addition Nuclebrás plans to build a wholly-owned factory for fabricating fuel, and a pilot reprocessing plant, both with German technical assistance.

Brazil's nuclear programme calls at present for eight large reactors of 1,300 MW gross output—a size already demonstrated in Germany—with the first ready in 1983. The foreign component of these eight is intended to fall from 70 per cent. for the first to only 30 per cent. for the last, to be ready by 1990.

Nuclebrás is shortly to start construction of its own technology centre near Santa Cruz, about 50 km. from Rio. By the end of 1978 the company expects to have in operation a campus which eventually will include a pilot uranium enrichment facility of the capacity to serve the Angra site (about 3,000MW), a pilot fuel fabrication facility, and a French Cobra research reactor for fast reactor physics.

Meanwhile CNEN, under its chairman, Professor Hervasio de Carvalho, is charged with responsibility for a large training programme for nuclear station operators. The International Atomic Energy Agency has offered assistance on terms under which the UN would provide $2m. towards a $6m. project in which a new training centre equipped with a reactor simulator would be set up.

CNEN will also be laying foundations for one of the most controversial aspects of the Brazilian-German nuclear alliance—construction of a reprocessing plant. According to Professor Carvalho, however, the priority being placed on reprocessing is not very high. He believes that Brazil will be content simply to store spent fuel for many years to come. But at CNEN's laboratories there are plans to construct an experimental unit capable of handling a few kilograms of fuel, to explore the problems of processing highly irradiated fuel.

He believes that research may show how the long-lived radioactive fission products may be separated and put back to work usefully, so alleviating the waste disposal problem. Why not add them to plutonium, he asks, to prevent any possibility of making bombs from the by-product—just as an adulterant is added to methylated spirits to prevent its misuse?

Professor Carvalho's third big task is to set up a regulatory authority to license Brazil's new nuclear plants. The Germans, who have their own company for reactor safety in Cologne, have offered to advise and train nuclear inspectors for Brazil. But they are realistic enough to believe that Brazil may wish to call in a third country to advise here—just as Iran, to their chagrin, has commissioned the U.K. to help it set up a licensing authority and inspect its first German reactors.

David Fishlock
Science Editor

...esearch

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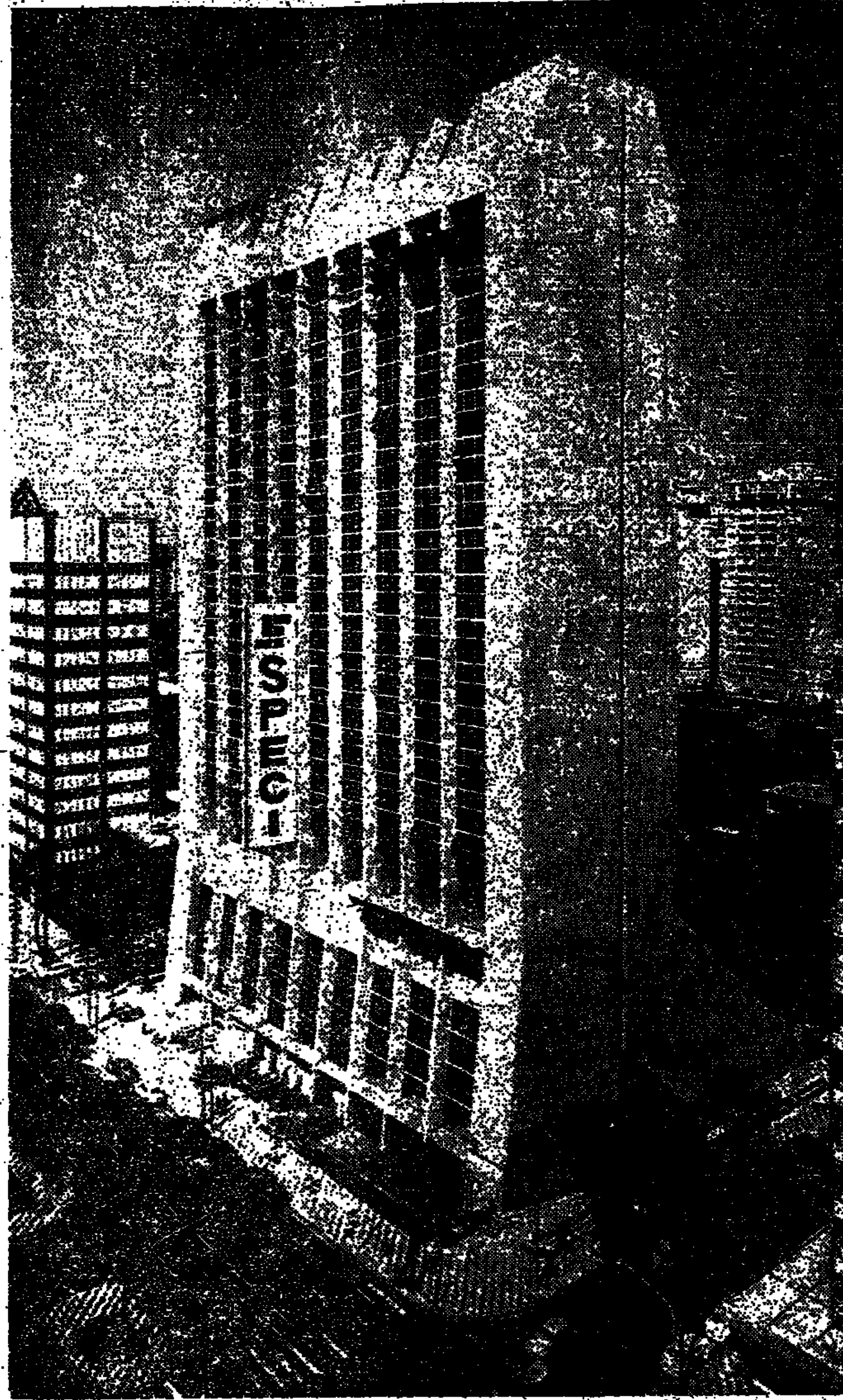
...NA efforts have centred ...adiation genetics and the ...bilities of breeding new, ...productive mutant strains ...ean, Professor Cervellini ...s important successes. ...rieties are coming forward ...ising a yield potential sub... ...ially higher than existing ...ties." Increases in protein ...ent of "several per cent." ...been obtained, as well ...mutant tolerant to Golden ...ic disease. CENA has ...dy supplied bean seed to ...mbia and other Latin ...rican countries. Radiation-...ced mutants are also show... ...promise in raising the pro... ...ivity of wheat and rice ...s in Brazil. The institute ...demonstrated wheat ...ants more resistant to rust, ...having shorter straw; and ...cropping two weeks earlier, ...with much shortened straw. ...e institute is especially ...d of its radio-isotope ...arch of the hydrological ...of Amazonia, one of the ...great regions of the world ...be developed, where the ...ernment has emphasised ...need for special care to ...d unnecessary environ... ...tal damage. CENA has ...ntly shown that more than half of the region's rainfall is recycled within Amazonia—a fact which suggests that over-enthusiastic clearing of jungle could have a considerable effect on the mircroclimate of the region.

In contrast, in the arid north-east of Brazil, CENA scientists are studying the origin and movement of underground water. They have shown that in those aquifers where the water velocities are higher the water is of better quality and lower salinity.

At Piracicaba itself a project for eradicating pests in grain by radiation has reached a stage where CENA now has radiation dose data for all the major Brazilian grain insects. "We are therefore prepared," says Professor Cervellini, "for any possible future decision to go ahead with bulk grain storage and irradiation facilities." How important this conclusion promises to be for Brazil can be judged from Government expectations that a crop of cereals and oilseeds expected to total 46m. tons this year is forecast to reach 100m. tons within "a few years."

David Fishlock

LEFT
A section of the new "immigrants" highway" between São Paulo and the port of Santos.



RIGHT
A modern office block in Avenida Brigadeiro Faria Lima, São Paulo.

There are two faces of Sao Paulo: the prosperous world of the businessman and the very rich, whose flamboyant life style is hardly matched anywhere in the world; and the miserable world of the squatters who live in settlements on the outskirts of the city.

São Paulo's contrasts

THE SAO PAULO that visiting businessmen know is a semi-tropical version of Chicago. All day long, with little respect for official rush-hours when traffic jams are to be expected, the streets are congested with buses, taxis and, increasingly, private cars. Amid the huge skyscrapers, the vehicles hoot and hustle each other. Experienced cab-drivers take advantage of any break in the congestion to wham their foot on the accelerator. Recklessly weaving in and out the traffic at frightening speed, they have been known to reduce self-possessed European businessmen to bags of nerves. These visitors will readily believe—as, in fact, is the case—that São Paulo has the highest accident rate in the world.

Each year, the city is larger and more congested. The Minhocão (large worm), which is a long, snake-like fly-over that spans one of the city's dingiest quarters, was announced as the "solution until the year 2,000" for traffic jams in that area. Now, six years after it was opened, long queues form in the late afternoon as the cars "worm" their way out of the city (quite changing the original reason for the nick-name).

The city authorities plead: "Leave your car at home. Use public transport." In vain. Each year more people drive to work. In 1968, 26 per cent. of traffic was composed of private, passenger cars; now it is 34 per cent. According to Col. Erasmo Dias, State Secretary for Public Security, each day 300 new cars go on the streets in Greater São Paulo. "There is no way in which the authorities can keep on expanding and improving the road network fast enough to keep up," he added. In fact, the authorities' request is somewhat unreasonable. While the city's 8,000 single decker buses are so crowded—at times holding as many as 130 people—many people will not co-operate. If you have got to face a two-hour traffic jam, you might as well sit comfortably in your own car. The city's 18 km metro line was opened last year. It already carries almost 600,000 passengers each day—but the jams continue above it.

But this is not the only São Paulo. In the outskirts of the city, about half a million people live in "favelas," squatting illegally on private and public land. Another 2m. live in precarious shacks that they have built themselves. Most do not have running water or sewerage.

Unoccupied

These unsalubrious dwellings stretch out for miles around the city. In what appears a strangely uneconomical use of the land, unoccupied areas are dotted between the settlements. But the explanation is quite rational: the landlords are doing this intentionally to increase their profits. By selling plots further out, they force the authorities eventually to asphalt the roads, lay on buses and provide electricity. This greatly increases the value of the intermediary plots. Another ploy is to sell the plots with very low payments for the first two years or so. Then, once the basic urban services are provided, the owners raise the instalments and evict the dwellers for non-payment. This device is technically illegal, but unscrupulous landlords often take advantage of the povety, fear and lack of education of the inhabitants, who know that they will face great problems in demanding their rights.

These people have been making desperate efforts to jump on the bandwagon of consumer society. Studies have shown that, despite the trend to work longer hours, the buying power of the average wage earned by São Paulo workers fell by 36 per cent. from 1958 to 1969. To make up for this, more women and children are out working. Nonetheless, the family income suffered a 9.4 per cent. decrease during the same period.

In spite of this, these people are buying more television sets, watches, electric cookers and even refrigerators (though some do not have anything to put into it). They generally buy these goods on hire purchase, which charges very high rates here, often as much as 80 per cent. per annum. They are able to do so only through severe economies in expenditure on food, hygiene articles and health. One clear indication of this is the upward trend in infant mortality, which is closely associated with malnutrition. Now 95 babies out of every 1,000 live births die during their first year of life; in 1961 it was 62.

The social elite form a contrast with these poor families. While many of the shanty-town dwellers earn £50 a month, the city's bankers and executives earn 100 times as much. A few of this elite, particularly the sons of recently enriched families, delight in a flamboyant style of extravagant living that has few parallels elsewhere in the world. Perhaps the most extreme example occurred a few years ago in the Rua Augusta, São Paulo's most fashionable shopping centre. A young playboy was about to reverse his imported Mercedes-Benz into a tight parking space in the crowded street. In front of his eyes, another young man cheekily slotted his Galaxie into the space, quipping "The world belongs to the smart set." The playboy did not hesitate. He rammed his Mercedes-Benz violently into the Galaxie several times, retorting: "You're wrong. The world doesn't belong to the smart set, but to the very rich. I can buy a new car to-morrow. I'd like to see if you can."

Yet another São Paulo is scarcely known at all, even by "paulistanos." Within the boundaries of the city itself live a group of about 60 Guarani Indians. Still speaking the original Indian language, they scratch out a miserable existence. Without sufficient land to be able to farm, they survive by begging in the city centre, selling hearts of palm when they can find the trees, and working on a day basis as rural labourers. None of the children go to school. in life, they seem doom[ed to] be absorbed into São Paul[o] at the lowest level, wha[tever] their individual abilities.

Bustling traffic, poll[ution], severely undernourished c[hild]ren, sophisticated night [life], Indian beggars—all this exists in the confusion [and] bedlam of Latin Amer[ica's] largest city.

With popular support waning as the economy declines, Mr. Cosgrave's coalition faces a constitutional imbroglio. Giles Merritt reports

Presidential blow for Dublin Government

CRISIS IS not a word likely to be found in Irish Premier Mr. Liam Cosgrave's dictionary of politics; his dour and unflappable style during three and a half years in office have made it plain he considers that reaction to trouble is usually over-reaction. Invariably he keeps his head down, and that so far has been his answer to the *constitutional and political imbroglio* arising from last Friday's shock resignation of President Cearbhall O Dalaigh.

Paradoxically, though, the Cosgrave Government's almost surly rejection of speculation that there will be an immediate general election has highlighted the seriousness of the Government's position. Until a few months ago, Mr. Cosgrave was known to be calmly planning to go to the country in the spring of 1977, probably at a moment when he could hope to secure a second term with an enhanced majority. To-day he dare not go to the polls.

Redrawings

Thanks to the inbuilt advantages of constituency boundary redrawings, or gerrymandering as the opposition Fianna Fail party would have it, passed shortly after coming to power, the Fine Gael-Labour Party coalition Government would need to be fairly unpopular to lose. The boundary redrawings have been an important element in Mr. Cosgrave's strategy and it was widely believed no coincidence that Government thrift cancelled this year's scheduled census. No census=no recorded population shifts=no change in the currently advantageous voting set-up.

Apart from a 50-minute emergency session on Friday evening and an announcement that to-morrow's regular meeting will review the matter, the Dublin Cabinet has played down its concern and remained largely silent, with Ministers reportedly under instruction not to discuss the presidential resignation and its implications. The *implication* the Government is apparently trying to make is that the President's angry and abrupt *departure was the* action of an over-sensitive man, and is therefore without political significance. The inference being increasingly drawn, however, is that the Government is now worriedly aware that its difficulties have been crystallised by the O Dalaigh affair and outweigh its electoral head start. The idea of seeking the electorate's mandate, in effect to back its position, has been rejected.

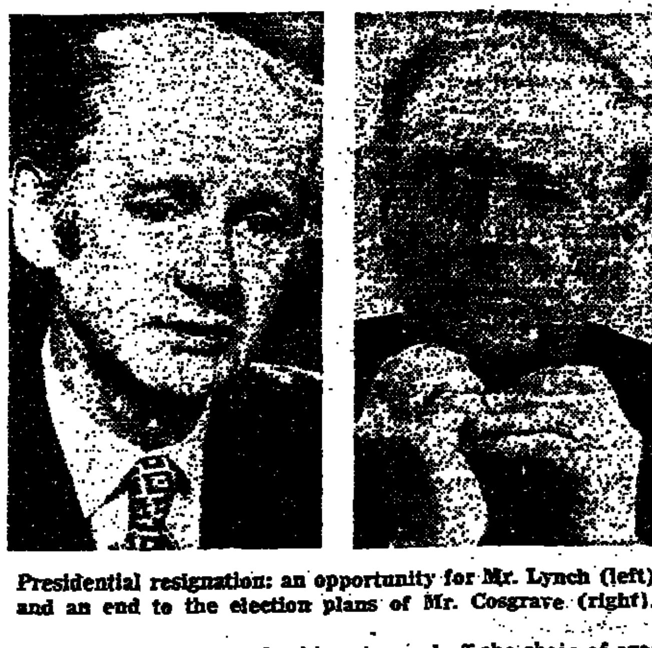
For Mr. Cosgrave it would be nice if the row that led to the President's resignation were to be seen by the Irish public in the following straightforward light: Defence Minister Mr. Patrick Donegan, prompted by his deep concern for Ireland's security against IRA extremism, spontaneously brands Mr. O Dalaigh a "thundering disgrace." Repentant, he plans to go next day to the Presidential Palace to apologise in person. He is snubbed by the President, who makes it clear he will refuse to see him, but he persists by writing an unreserved letter of apology. This is in turn rejected by the President. An Opposition motion demanding Mr. Donegan's dismissal, and clearly intended to make political capital out of the unfortunate episode, is democratically defeated in the Dail (Parliament). The President, misguidedly convinced that the office of Head of State is being deliberately slighted, resigns in pique and the Irish Government sorrowfully turns to selecting a suitable replacement.

Unfortunately for Mr. Cosgrave, it is not that simple and Dublin's newspapers are losing no time in explaining why. And even if it is the Government's well-tested technique to deny fuel to the media machine and watch it run out of steam, the betting is that the coalition *Government will shortly be* facing its first major political test since coming to power.

Issue

Mr. O Dalaigh was appointed to the job in December 1974 by all-party agreement — even though he had once been a Fianna Fail member—thus saving both the trouble and expense of a £250,000 national election. It is unlikely that his successor will go through on the same all-party nod. Candidates will therefore be put up, presumably by all three parties although the coalition might agree a joint one, and between now and an as yet unknown date not later than December 21, the campaign circuses will be on the road. In any other circumstances, the campaigning would probably be a pretty dull affair. But now there is a *definite* issue that already divides Government and Opposition and it is the very issue on which President O Dalaigh resigned.

The disagreement is over whether or not the Irish President is a rubber stamp, duty-bound to endorse the Government's action, or whether he is the guardian of the Republic's constitution and fully justified in acting to defend the right of the *individual* against all official infringements. The Government, partly because of Mr.



Presidential resignation: an opportunity for Mr. Lynch (left) and an end to the election plans of Mr. Cosgrave (right).

Cosgrave's loyal support for his Defence Minister, and longstanding political associate, Mr. Donegan, and partly because its tough law-and-order character has gradually led it to believe that the end justifies the means, would, it appears, favour the former definition.

Fianna Fail, perhaps out of conviction and perhaps out of political opportunism, has rallied to the latter view behind the former President. Mr. O Dalaigh has already stated that he will not stand for re-election, for that would directly challenge the Cosgrave Government and might precipitate a bitter constitutional showdown, but the growing suspicion in Ireland is that the electorate is increasingly siding with the conscientious and unassuming man who refused to become a puppet Head of State.

For President O Dalaigh first triggered off the chain of events leading to his resignation in *mid-September, when he decided* that the anti-terrorist Emergency Powers Bill should be referred to the Supreme Court for constitutional testing. The Bill, along with its sister Criminal Law Bill, had been drafted by the Government as a direct reaction to the late-July *assassination of Britain's* ambassador to Ireland, Mr. Christopher Ewart-Biggs.

In order to safeguard against *possible breaches of the* constitution over civil liberties—and the Emergency Powers Bill was in fact flagrantly unconstitutional with its section allowing the police to hold suspects for seven days—the Government conceived the device of passing a new State of Emergency. *Repealing the technical emergency* that has existed in Ireland since 1939, it declared a successor that alluded specifically to "armed conflict" rather than war. In the interests of "public *safety," therefore,* the two security Bills were passed through the Dail while shielded from constitutional query by the State of Emergency.

Mr. O Dalaigh had been somewhat wary of the Criminal Law Bill, but with the slight amendments that had followed an outcry over its infringement of Press freedoms, decided to sign it into law. The Emergency Powers Bill, on the other hand, so clearly offended the spirit and the letter of the constitution that he referred it to the Supreme Court in order to *get a ruling* on whether the State of Emergency device was acceptable.

It was, and just 10 days ago the President signed the second security law on to the Statute Book. The Irish President was until 1973 Chief Justice and president of the Supreme Court *and an eminent jurist* once described as having risen "in the ranks of the bewigged with bewildering speed." As soon as the Bill was vetted and passed the matter would have been closed, for Mr. O Dalaigh saw himself as a watchdog of existing liberties, not the champion *of additional ones.*

But the Government had been smarting, not just against the one month's delay the President *had* caused its legislation but at what it privately considered to be unwarranted interference. There are now suggestions from the local newspaper reporter in rural Mullingar, who witnessed Mr. Donegan's speech at an Army barracks there, that the slight may not have been as *spontaneous as was at first* thought. In any event, it accurately reflected the views of the security hardliners in the Cabinet.

To the Government the incident *must* have appeared unfortunate and the insult crude. But its refusal to treat the slight as a grave slur on presidential authority, and sacrifice Mr. Donegan, caused the President to dig in his heels.

Were Mr. Cosgrave's Government to be riding high at present, the matter would still be relatively unimportant. Unfortunately, the Irish economy is not merely bogged down but visibly sinking, and with it popular support. From Brussels has come the leaked information that an EEC survey to be *published shortly* puts unemployment at 18 per cent., rather than the 12.1 per cent. of the latest official figures here. Inflation, at 16 per cent. a year, is a percentage point higher than in the U.K.

Strategies

The Government is working hard at negotiating a 1977 pay pause with unions and management to alleviate the situation, but on the longer-term strategies that must be implemented at once to cope with Ireland's dangerous population explosion there has been little sense of urgency. For the average man in the polling booth life to-day costs almost 20 per cent. more than a year ago, according to a recent survey; and even if he still has his job the future looks more grim than ever.

Economic hardships might seem unconnected with the abstruse question of the Presidential role, but an election is an election. That is to assume *that no unforeseen* deal is made between Opposition and Government to agree a joint candidate, but it seems inconceivable that Fianna Fail leader Mr. Jack Lynch would let such a heaven-sent opportunity to contest the Government slip through his hands. So far, the Cosgrave administration has successfully fended off all Fianna Fail's attempts to engineer any crucial issue that would divide the country, and that has led to very lack-lustre Opposition.

Although Mr. Cosgrave's five-year term of office does not require him to call a general election until early 1978, the coming spring has been widely held throughout this year to be the point at which he will attempt to establish the personal record he is known deeply to cherish—*the distinction of being* the first Irish coalition Premier to secure a second term. Whether he will stick by that and allow the Opposition to treat the presidential election as a general election dry run that will put increased pressure on the Government remains to be seen.

There are, in fact, much wider implications in the President's resignation and its possible aftermath. There is now the fear that a hotly fought presidential election, in which the candidates are active party *notables, could change the* nature of the office itself. President O Dalaigh has demonstrated that he was not a cypher, but he did insist last Friday night that he was "above politics." If prominent party politicians are to be elected in future Ireland might begin to *dream the same nightmare that* haunts France—a constitutional impasse produced by the Head of State being at political loggerheads with his Government, and the semi-paralysis of the legislative machine.

Letters to the Editor

Unit Trust charges

From The Chairman, Chieftain Trust Managers

Sir,—Mr. Lawson (October 20) makes an excellent point in his reference to the double taxation *of income from Gilts held by a* unit trust. It seems quite absurd that a Government which wishes to raise money by the sale of Gilts should close the door on *such an obvious* outlet. There *is* little doubt that if the taxation were changed there would be a considerable market for a Gilt unit trust, but at present such a vehicle would find difficulty in offering unitholders much more than 8 per cent. gross against the 12 to 15 per cent. that conventional high income unit trusts are offering.

In his argument for higher charges for unit trusts, however, Mr. Lawson's case is far weaker. In the 1960s unit trusts were aggressively marketed as a vehicle to keep up with inflation. Indeed, some publicity even went as far as describing them as a means of beating inflation. Now, the annual service charge (0.375 per cent in the case of Chieftain) is based upon the value of funds under management. If the unit price keeps up with inflation, by definition so does the annual service charge. I am not in favour of screaming for the rules of the game to be changed simply because we are losing at the moment.

Furthermore, the annual service charge cannot be regarded in isolation. As Mr. Lawson *knows, except in the case* of the very large groups, active unit trust management companies obtain a significant proportion of their revenue from the initial *management charge*, currently set at a maximum of 5 per cent. If this were increased significantly, the spread between the bid and offer prices of units would *also rise*, possibly leading to a reduction in the attractiveness of unit trusts and, conceivably, to an overall decline in sales and hence revenue.

Nevertheless, there is one point which I believe has never been given prominence. When unit trust managers pay commission to intermediaries (stock*brokers*, etc.), it is subject to VAT which is unrecoverable. Thus the advent of VAT has reduced the margin between our gross initial charge and the effective commission which we pay. This is an anomaly which could not have been conceived when unit trust charges were first decided, and it it an anomaly which should be rectified.

Peter L. Potts,
30-31, Queen Street, E.C.4.

Modernise or demolish?

From Mr. R. Oakeshott

Sir,—*As an* owner-occupier of a cottage in Rutland Street, Sunderland, I would like to add a qualification to Michael Cassell's excellent article of October 12. It concerns the matter of "no firm guidelines" where there is an argument of modernisation versus demolition. The Department of the Environment's *circular No. 65 (of 1969* is precise and unambiguous.

Briefly, the guidance in that circular is set out in the form of a tabulated matrix. One axis of that matrix tabulates the alternative possible life expectation of potentially modernisable homes—from 15 years in ascending steps to 40 years—against an assumed 60 year life of a new home. Along the other axis, against a theoretical 100 per cent. quality for the new home, is tabulated the notional percentage quality which the modernisable home would enjoy, once improved. The guidance figures in the matrix then tell you what percentage of the cost of a new house it is legitimate to incur *in modernising an old* one—for alternative mixes of life expectation and quality. If for example the notional quality of the modernised house is taken *to be 90 per cent. of the old*—and if it will have a life expectation of 40 years—then the circular's guidance is that you will be getting value for money *if you spend* on modernisation up to 87 per cent. of the cost of new building. At the other end of the scale if you expect that the modernised house will be only 50 per cent. as good as the new one and if you expect that its life expectation will be no more than 15 years, then the guidance of the circular is equally clear: you would be getting value for money if you spent, even with these dismal perspectives, up to 35 per cent. of the cost of building the new on modernising the old. Moreover these guidance figures are explicitly based on an interest rate of 8 per cent. If re-written for the world of the 15 per cent. bank rate they would produce equally sharp guidelines still more favourable—in fact almost twice as favourable—to the modernisation alternative.

We used these guidelines at the enquiry. The council defended its position by—surprisingly—claiming that in reaching a value-for-money decision it was correct to exclude from the relevant cost of new building all expense incurred "outside the curtillage wall," that is, up to a third or more of normal new building costs.

Are we not entitled to be aghast when the professional economists of the DofE—who must presumably have been consulted—lend their support to such a doctrine? And is it not disingenuous to argue that we are dealing here with any area lacking in "firm guidelines"? What could be firmer than the DofE's own in circular 65 of 1969?

Robert Oakeshott.
139, Rutland Street, Sunderland.

The lack of engineers

From Mr. T. Kirker.

Sir,—In his long awaited speech on education Mr. Callaghan dealt with a problem which seems very fashionable at the moment—the shortage of good, qualified engineers available for recruitment into industry. On the same day Hugh Scanlon was launching a series of fellowships for the Engineering Industry Training Board aimed at improving the supply of academically successful people to manufacturing industry.

Both the TUC and the CBI are engaged *in* programmes to improve the image of industry in schools and colleges. Clearly a problem exists but all the measures so far suggested attack the symptoms rather than the root cause.

Courses in science and engineering are unfashionable in schools and colleges not because of inadequate and uninformed teaching but because the career prospects for scientists and engineers in industry are so abysmal. A survey published earlier *this year, carried out* among qualified engineers of various disciplines by their respective institutes, showed an average salary level of between *£4,000 and £5,000 for graduate* engineers of all ages. As a research engineer in a large aerospace company I, along with hundreds like me, have little prospect of ever reaching a salary in excess of £5,000 unless I prove to be an exceptionally brilliant engineer or I leave engineering and go into management or administration. *Compare this with the recently published* survey of salaries for lawyers in industry where average salaries were over £5,000 before the age of 30 and still *rising, or the administrative* Civil Service where the average graduate should be aiming for £10,000 by the age of 45. Not surprisingly the advice from *technologists in industry to those* contemplating joining them is too often "Don't," and no amount of education will change that.

Most technologists are employed in productive industries and therefore their salaries are dictated to a large extent by the competitiveness of their products in world markets. This together with the fact that many technologists still have misguided ideas about being productive and useful members of society and are therefore reluctant to take industrial action, means that the problem will continue as long as Government (national and local) and service industries continue handing out money to anyone who is prepared to strike rather than to those who are not.

However many changes are made in teaching science and engineering in schools and colleges this country will continue to get the scientists and engineers that it pays for in industry.

T. J. Kirker.
Woodstock, Quaker Lane, Farnsfield, Newark, Notts.

Snobbish and arrogant

From the Head of Music, Huddersfield Polytechnic

Sir,—The letter from Mr. Headlam (October 18) brings up a number of points. It is not only the snobbish status consciousness displayed by teachers which exacerbates the situation but also the arrogance of engineers who believe that they are the nation's only producers and that only technologists produce wealth.

The purpose of building a *bridge* is so that *people* can get to the other side. The £60m. (or whatever) for the Sydney Opera House—think of all that employment for architects, acoustics *experts*, *engineers*, builders, furnishers, artists, etc.—could only have arisen because of people's desire to listen to opera. The *purpose* of a fridge is to preserve food (but for thousands of years we have known how to bottle it, dry it, sugar it, salt it and smoke it without using a fridge). The hi-fi, gramophone, transistor-radio and TV industries exist only because people wish to listen to music: musicians serve the public here and so does the electronics industry. But which is more "wealth producing" the musician or the electronics engineer? Is the arts student who paints and sells a picture "producing" less than the arts student who designs a carpet? What is the purpose of both articles? At least one doesn't normally put one's muddy feet on the picture. Mr. Picasso left about £600m., was his effort less or more "wealth producing" than the manufacturer and supplier of his brushes, canvasses *and paints?*

If we produce more engineers where are they going to find jobs? In Ferranti, Chrysler, BLMC, BSC, BAC, Rolls-Royce, UCS, *to name a few*. The engineer is an important member of our society, *but no more important than anyone* else. The singer is as much part of the wealth producing economy as the business consultant, the painter as the textile designer, the clarinettist as the clarinet maker. Engineering never produced the *end* of anything—only the *means* to an end. Both are important, but let the engineer not forget those who offer him a living.

It may well be that the country at present needs more *technologists*: but it also needs philosophers and behavioural scientists to persuade technologists that they must invent less inhuman ways of asking *men and women to earn a living*. Only when work in industry is more attractive (and I'm not talking about wages) will young people offer themselves willingly.

P. G. Forbes.
The Polytechnic,
Queensgate,
Huddersfield.

The Australian and politics

From Mr. Bruce Rothwell

Sir,—With reference to the article (October 22) on The Ups and Downs of The Australian by Kenneth Randall, a former staff member of The Australian, may I as the paper's recent editor in chief make the following points.

There was nothing "extraordinary" about the performance of The Australian in last year's elections, although it would certainly be fair to say that the situation which prevailed in Australia was "extraordinary."

The newspaper had revealed that the then Prime Minister Mr. Whitlam, and two Ministers whom he was obliged to dismiss for their part in the affair, had secretly and possibly in violation of the constitution entered into negotiations with a money broker for a $A4bn. loan. It has never been stated what these funds were to be used for—the popular assumption was to buy back the mineral operations from multinational firms, but one prominent Labour lawyer associated with the then Labour Attorney-General publicly suggested it might be to enable Labour to govern without supply. *In the* event, and under political challenge with Supply deferred (as is specifically allowed by the Constitution) Mr. Whitlam did, *indeed, seek to govern without* Parliamentary approval of the money supply by summoning the banks to Canberra for discussions aimed at securing loans. *Two days later his commission* was withdrawn.

The editorial position taken by The Australian on the constitutional issues and the election campaign was overwhelmingly endorsed by the election result.

In the 1972 election The Australian gave its full support to Mr. Whitlam. This policy was enthusiastically endorsed by the staff, many of whom had strong personal ties with Mr. Whitlam and the Labour Party. They were, therefore, naturally dis*appointed when the paper did* not support Mr. Whitlam in 1975. This feeling was the more so when early this year The Australian revealed that Mr. Whitlam *had been involved in* secret negotiations with the Irakis for a loan to pay Labour's election campaign debts—an enterprise which led to Mr. Whitlam being condemned by his own party, although he retained the leadership.

Mr. Randall describes me as "of the London Daily Mail." I was indeed its deputy editor, having come to it from the now defunct Liberal News Chronicle. I was sent to Australia in 1970 *by Mr. Murdoch to start the* country's first quality newspaper, the Sunday Australian.

Bruce Rothwell,
c/o News Limited of Australia,
8, Bouverie Street, E.C.4.

To-day's Events

Arab League summit meeting, Cairo.

EEC Agriculture Ministers meet, Luxembourg.

European Parliament begins three-day sitting on Community budget, Luxembourg.

Labour Party-TUC Liaison Committee meets.

Scottish TUC one-day conference on unemployment, Glasgow.

Prime Minister opens Post Office Engineering Union offices, Brunswick Road, W.5.

TUC Finance and General Purposes Committee meets.

Mr. Eric Varley, Industry Secretary, speaks in Workington by-election campaign, Civic Hall, Maryport.

London Liberal Party rally, Caxton Hall, S.W.1.

Nominations close for Walsall North, Workington, and Newcastle Central by-elections.

Road Haulage Association *annual conference opens*, Eastbourne.

Lord Mayor of London attends Shipwrights' Company dinner, Mansion House, E.C.4.

PARLIAMENTARY BUSINESS

House of Commons: Retirement of Teachers (Scotland) Bill, and Valuation and Rating (Exempted Classes) (Scotland) Bill, second readings. Motions on Safety of Sports Grounds Orders.

House of Lords: Education Bill, report stage. Industrial Common Ownership Bill, third reading. Supplementary Benefit (Amendment) Bill and Aircraft and Shipbuilding Industries Bill, committee.

OFFICIAL STATISTICS

Construction new orders (August).

COMPANY RESULTS

Highland Distilleries (full year). Paterson, Zochonis and Co. (full year).

COMPANY MEETINGS

See Week's Financial Diary on Page 34.

OPERA

Royal Opera production of Macbeth, Covent Garden, W.C.2, 7.30 p.m.

MUSIC

Jeremy Brown gives piano recital of music by Chopin, St. Lawrence Jewry, next Guildhall, E.C.2, 1 p.m.

Chris Barber's Jazz Band, Kenny Ball and his Jazzmen, and Dave Morgan's Jazz Band, Royal Albert Hall, S.W.7, 7.30 p.m.

SPORT

Soccer: Scottish League Cup semi-final, Celtic v. Hearts, Hampden Park. Tennis: Torquay tournament. Boxing: Charlie Nash v. Giuseppe Agate (Italy), World Sporting Club, W.1.

COMPANY NEWS + COMMENT

Lockwoods Foods reasonably confident

PROVIDED the present crop estimate of Lockwoods Foods is realised, Mr. P. B. Lockwood, chairman, feels there are reasonable expectations of continuing progress in the current year.

He stresses, however, that the drought conditions which prevailed make it extremely difficult to forecast the outcome of the current year's trading, especially as the extent of any damage to the root vegetable crop, which constitutes an important part of the company's production, is still in doubt.

Although stocks show an increase, lower yields of fruits and vegetables in the U.K., owing to the drought, resulted in increased demands during the early months of 1976-77, and it seems that year-end stocks will show a marked reduction with a corresponding increase in cash flow.

As reported on October 12 pre-tax profit for the past year increased from £1.68m. to £1.94m. Turnover expanded from £34.26m. to £39.47m. The profit is struck after higher interest charges of £1.39m. (£1.3m.). Sales of canned fruits and vegetables in the U.K. improved once again.

Meeting, Long Sutton, Spalding, November 16, noon.

● comment

The full effects of the summer's drought on root crops is still unclear, so there is equal doubt as to the prospects for Lockwoods Foods' canning division. What is known is that the drought caused higher demand for canned products in the early months of the year which has resulted in an abnormal lowering of stocks and better cash flow since the year end. That would seem to be a good point judging by the balance sheet, where net borrowings are £880,000 higher at £7.84m. Gearing, however, is lower thanks to a property revaluation surplus of £1.43m. and the ratio of borrowings to shareholders' funds is down from 175 per cent. to 128 per cent.: still a substantial figure. Nevertheless any setback to profits that might arise because of shortages holds few worries for the dividend yield of 8½ per cent., as the cover is 4.7 times and the shares are standing on a p/e of only 3.9.

HIGHLIGHTS

Once more the week-end post bag contains little news, but turning to this week there is hope of more action. It looks as if there will be little around to-day but to-morrow is more promising with half-yearly figures from **Plessey** and **Minet Holdings** the insurance broking group. On Wednesday interims are due from **BPB Industries** and **Spillers** while Thursday sees six-month figures from **Dunlop** and Friday ends the week on a retailing note with **John Menzies** and **J. Hepworth**.

Howard & Wyndham incurs loss

A pre-tax loss of £90,778, a turnround from a profit of £318,244, is announced by Howard and Wyndham for the year to end June, 1976, struck after rationalisation expenses of £199,687 and interest up from £147,722 to £271,252.

At the trading level, profit declined from £451,569 to £380,161.

When reporting first half profits down from £138,624 to £77,334, the directors forecast that while profit, excluding reorganisation expenses, for the year, would show an increase, net profit would be lower.

The loss per 20p share at year-end is 0.3p, against earnings of 4.3p. Once again there is no dividend.

They report now that sales of both the publishing and retail divisions are now running well ahead of levels achieved at this stage last year. Subject only to unforeseen circumstances they are confident that group trading profit (prior to tax and interest charges) for the current year will be a record.

	1975-76 £	1974-75 £
Sales	12,771,004	9,253,349
Trading profit	380,161	451,569
Expenses	199,687	—
Interest	271,252	147,722
Pre-tax loss	90,778	*318,244
Tax credit	73,818	†114,972
Net loss	16,960	*203,272

* Profit. † Charge.

Radley Fashions profit cut

RESULTS of Radley Fashions and Textiles for the 13½ months to April 19, 1976 are extremely disappointing, the directors say. Pre-tax profits were £99,227 from turnover of £5.09m. In the previous year, profits totalled £244,178 on turnover of £4.36m.

The downturn reflects difficulties encountered during the second half of the year which related principally to imported merchandise, the directors add.

Earnings per 25p share are 3.9p or 3.4p on an annual basis compared with 8.4p in 1974-75.

However as a token of confidence in the future, the Board recommends a final dividend of 0.625p making a total of 1.9375p against 3.9375p previously.

At halfway, pre-tax profits were ahead from £50,000 to £86,000 and the directors were confident that profits on an annualised basis would be as good as the previous year.

	13½ months £	Year 1974-75 £
Turnover	5,094,595	4,360,320
Trading profit	167,342	300,082
Bank and loan interest	68,315	55,904
Profit before tax	99,227	244,178
Taxation	55,625	149,726
Net profit	43,602	94,452
Minorities	540	572
Extraordinary losses*	33,371	58,358
Loss under-provision†	30,093	‡1,936
Attributable loss	20,402	‡37,478
Dividends§	18,667	31,516

* Relating to companies ceasing to trade during 13½ months. † For terminal losses of companies ceasing trading in earlier years. ‡ Profit. § Waivers on 473,907 shares.

It was decided, during the year, other small subsidiary. With the exception of a 50 per cent. interest in a very small subsidiary the group has no further interests in textiles.

Again, the principal subsidiary, Radley Gowns, has had a good year and its trading profits exceeded £200,000 in spite of difficulties with imports. Sutcliffes also had a good year and is expanding its product range in order to cope with the difficult situation that exists in the U.K. glove market.

With regard to the current year, turnover at Radley Gowns has again increased and the export market is particularly buoyant with good margins. Merchandise for the export market is now priced in local currencies and this is proving rewarding.

Export efforts are being strongly pursued and a distribution company has been set up in West Germany in which the group has a 50 per cent. interest and initial indications confirm that business there should substantially improve.

FT Share Information Service

The following security has been added to the Share Information Services appearing in the Financial Times:—

Corn Exchange (Section: Property).

No dividend at Benfield & Loxley

A LOSS of £93,000, including extraordinary losses of £120,000, is reported by builders and contractors Benfield and Loxley for the year to February 29, 1976, against a profit of £82,141.

No dividend is to be paid, against 0.75p in 1974-75.

The directors state that the loss is largely attributable to the W. and W. Group acquisition, which produced a trading loss of £140,000. The vendors warranted that pre-tax profits of W. and W. for the 14 months ended February 29 would be not less than £40,000.

A claim for damages in excess of £200,000 has been instigated against the vendors of W. and W. Group for breach of warranty, the directors add.

Under the circumstances, the directors feel it necessary to highlight the fact that the main activities of Benfield and Loxley have shown a profit in excess of £170,000.

Profits at halftime were steady at £34,000 against £32,000.

Haighton and Dewhurst loan stock proposals

Haighton and Dewhurst announces proposals to holders of the 7½ per cent. Unsecured Loan stock, 1986-91, to cancel all the £144,392 nominal of loan stock, in consideration for a payment of 50p cash for each £1 nom. of stock.

If the proposals are accepted by the requisite majority, loan holders will receive a capital increase of 31.5 per cent. and it should be possible to invest the consideration received in British Government securities or other fixed interest securities to obtain a higher income than they receive at present.

The directors believe that cancellation would save the company both the inconvenience and expense of maintaining the register and administering of the loan stock.

Anglo-African Finance Company owns £25,881 nominal of the stock, and other associates hold in total a further £28,182.

LEP sees modest rise

IN HIS annual statement to members of the LEP Group for the year ended December 31, 1975, chairman Mr. R. J. D. Leeper says he expects the first half of 1976 to show only a modest improvement on last year's first half. He says that the results for 1975 confirm the group's experience that changes in the climate of world trade tend to affect the group's business with a time lag of about six months.

Mr. Leeper adds that the fact that profit before tax for the year as a whole dropped by only 20 per cent. (from £3.38m. to £2.72m. reported October 9) compared with the drop of 46 per cent. shown in the interim accounts, was partly due to a revival of trade in some areas during the later months, but also to the interim figures having included, in several countries, rather more liberal provisions than proved necessary. The apparent sharp improvement in the second half consequently exaggerates the upward trend in profits, he says, and indeed some areas did not touch bottom until this spring.

In view of the inevitable delay every year in the production of the group's consolidated accounts, Mr. Leeper says that he proposes to make it a regular practice to give an estimate of the year's results during the following June, when the accounts of most of the group's companies are available.

Turning to the year under review, Mr. Leeper says that the group's trade in Britain was less affected by the world recession than in most other countries, and the U.K. proportion of consolidated pre-tax profit rose to 45 per cent., despite the drop in the value of the pound.

Mr. Leeper adds that the improvement in turnover which became apparent in the final quarter of 1975 continued this spring but seemed to falter somewhat during the summer.

In Austria, the group's largest overseas operation in terms of the number of employees, trading conditions remained difficult in the first half, but improved in the autumn, and the operation was one of the few overseas to achieve increased profits.

A geographical analysis shows, in percentages, U.K. turnover 32.3 (29.3), other EEC countries 32.3 (34.3), and rest of world 35.4 (36.4). U.K. profit before tax was 45.8 (43.4), other EEC countries 29 (36.7), and rest of world 25.2 (19.9).

A trust settled by Mr. R. K. Leeper, life president of the group, holds 11.63 per cent. of the shares, and Rothschild Investment Trust holds 13.27 per cent.

Fixed assets were £8.75m. against £7.33m., and current assets £49.21m. (£46.4m.) including cash and short-term deposits £5.14m. (£2.75m.).

Current liabilities were £39.76m. (£38.05m.), including bank loans and overdrafts £6.09m. (£4.73m.), and short-term loans £0.49m. (£0.93m.).

Freddie Mansfield

Sir John Clark, chairman of Plessey whose first half results are due to-morrow. The market expects pre-tax profits of not much more than £21m. compared with £17m. for the same period last year.

John Lewis sales up 22%

SALES IN the John Lewis Partnership stores and shops last week were more than £4.6m., an increase of 22.7 per cent. on the corresponding week last year.

BANDANGA TO CHANGE NAME

The directors of Bandanga Holdings propose to change the company's name to Purbeck Group. An extraordinary general meeting will be held to consider this on November 15.

Stoddard plant expansion

It is too early to predict the trading results of Stoddard Holdings for the current year, but the purchase of £562,000 of new plant in the year to May 31, 1976, of the further commitment of £245,000 in the coming year indicates that the directors view the future with confidence, says the chairman, Sir Robert Maclean.

As reported on September 3, group pre-tax profit recovered from £287,000 to £874,000 on a turnover up from £13.31m. to £17.3m. in the past year. In a period of quiet demand for carpets in the home market U.K. turnover increased by over 15 per cent.

A geographical analysis of turnover shows (£000s omitted) U.K. £12,013; Europe £1,794; rest of world £3,218. The value of goods exported from the U.K., including sales to overseas subsidiaries, was £3,748,000.

GEDULD INVESTMENTS

In terms of the scheme of arrangement approved by members of Geduld Investments on October 7, a special further interim dividend of 2.5 cents per share has been declared payable to "scheme members" who are registered at the close of business on October 22.

Better trend at Coates Bros

SALES and profitability at Coates Brothers and Co. have been well maintained at the level of recovery achieved in the second half of 1975 and the directors forecast some further improvement in the current latter half.

But the extent of any real improvement "is still dependent on the capricious impact of price controls in some territories and more especially in the U.K.," they add.

For the first half of 1976 pre-tax was £3.74m., against £2.54m.—the rate of profitability is below the level of recent years after allowing for inflation, it is stated.

Earnings are up from 2.5p to 3.4p per 25p share and the net interim dividend is raised from 0.63076p to 0.69384p, taking £4.27m. Last year's total was 1.89229p and profits £6.3m.

The company makes printing inks and supplies for the printing industry, synthetic resins and other industrial surface coatings.

	First half 1976 £000	1975 £000
Sales	34,0??	28,418
Profit before tax	3,736	2,540
Taxation	2,182	1,387
Net profit	1,556	1,153
Minority holders	167	128
Attributable	1,389	1,025

Upturn at Ben Bailey Construction

After being down from £137,697 to £122,967 at halfway, Ben Bailey Construction finished the year to June 30, 1976, with higher pre-tax profits of £217,077 compared with £198,386 previously. Turnover was £3.25m., against £2.46m.

Due to the constant level of sales, the directors feel justified in recommending the maximum permitted dividend. A net final payment of 0.44p makes a total of 0.815p against 0.74098p previously. Earnings per share are 1.821p (1.761p).

After tax of £121,946 (£104,379) net profit was up from £92,007 to £95,131.

ALFRED HERBERT

Alfred Herbert, the State-owned machine tool group, announces that it again intends to pass the dividend on the 4½ per cent. Cumulative Preference shares due October 31, 1976. No dividend has been paid since May, 1972.

Ellis & McHardy steady

ON TURNOVER up from £5.9m. to £7.46m., pre-tax profit of Ellis and McHardy, solid fuel distributors, increased marginally from £202,228 to £214,209 for the year to July 31, 1976.

The dividend is lifted from 2.2169p net per 25p share to 2.4385p.

Profits were steady at half-time with £123,597 against £125,972 despite the campaign to save fuel and the unusually mild weather. The directors said at the time that it was not possible to predict the outcome for the year with any certainty.

Net profit for the year after tax and extraordinary items was £102,386 (£113,440).

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims:—British Investment Trust, BSG International, E. and A.-G. Crosslan, Evered, London and Provincial Poster, Macdonald Martin Distilleries, Newman Industries, Ourwich Investment Trust, Randalls.

Finals:—Leon Berner, Highland Distilleries, Paterson Zochonis.

FUTURE DATES

Interims:—

Border Breweries (Wrexham)	Oct.
Bradford Property Trust	Oct.
Head Wrightson	Nov.
Highgate Optical and Industrial	Nov.
Hill (Philip) Investment Trust	Nov.
Mallinson (Wm.) and Denny Mott	Nov.
Reed International	Nov.
Sandeman (Geo. G.)	Oct.
Scottish Ontario Investment	Oct.
Toner Kemsley and Millbourn	Oct.

Finals:—

Highland Electronics	Oct.
Lighting and Leisure	Oct.
Pearce (C. H.) (Contractors)	Oct.
Rand Selection	Nov.
Transvaal Consd. Land and Explr.	Oct.
Wood Hall Trust	Oct.

BIDS AND DEALS

Joint waste disposal venture

Tunnel Holdings and Leigh Interests announce an agreement for the joint development of industrial waste disposal activities in the U.K. and overseas.

Three new jointly owned companies will be formed. The first, in which both Tunnel and Leigh will have a 50 per cent. holding, will apply for permission to establish a waste disposal facility on part of the site of Tunnel's previous cement works at West Thurrock, Essex.

The second company (Tunnel—84 per cent., Leigh—16 per cent.) will operate to develop similar facilities in other parts of the U.K. except the West Midlands and South Yorkshire, where Leigh already has waste disposal plants established. A third company (Tunnel—84 per cent., Leigh—16 per cent.) will exploit opportunities for such developments overseas.

The agreement contains certain rights of pre-emption relating to the joint companies in the event of a change of control of Tunnel or Leigh.

The joint venture will combine Tunnel's resources with Leigh's expertise in industrial waste treatment, and in particular will further the development of the Sealosafe process, a unique method for the safe treatment of industrial waste in an environmentally acceptable manner.

Leigh is the sole U.K. licensee for the Sealosafe process and has pioneered its commercial development. The licensing rights internationally are held by Sealosafe SA, in which Leigh has a 40 per cent. holding. The joint companies will become the principal licensees entitled to use the process in the U.K. and abroad on an agreed royalty basis.

The joint venture represents a further move in Tunnel's policy of broadening its base. It will also enable Leigh to take advantage of a faster rate of development of the Sealosafe process and other waste treatment expertise.

RHM BUYS FEED MILL

Ranks Hovis McDougall is buying J. Bibby and Sons' animal feed mill at Bury St. Edmunds for a £1m. consideration. Completion is planned for December 1, 1976.

The acquisition will enable RHM to develop its animal feed business in East Anglia while J. Bibby and Sons will be extending and modernising its mill at Framlingham and Newark in order to service the bulk of the animal feed tonnage currently produced at Bury St. Edmunds.

HEADCREST

In accordance with the terms of the agreement for the acquisition by Headcrest Investments of the issued share capital of Tierdene, holders have now been allotted the fifth instalment of the purchase consideration amounting to 353,034 Ordinary shares of 20p each fully paid, valued at par.

The shares will rank pari passu in all respects with existing shares. An application has been made to the Stock Exchange for the admission of the shares to listing. The total number of shares which has now been allotted to the vendors of Tierdene is 2,287,325.

Sedgwick Forbes

Sedgwick Forbes Holdings has formed Regis Underwriting Agencies, which will underwrite non-marine insurance and re-insurance business through Lloyd's brokers in the London market on behalf of Sumitomo Marine and Fire Insurance Company (Europe), the New India Assurance Company, and South British Insurance Company.

Better trend Coates Bros

Upturn at Ben Bailey Construction

ALFRED HERBERT

...ding dividends ...table

...convenience of readers the dates when some of the ...company dividend statements may be expected in ...weeks are given in the following table. The dates ...of last year's announcements, except where the ...ard meetings (indicated thus*) have been officially ...hould be emphasised that the dividends to be ...e necessarily be at the amounts or rates per cent. ...umn headed "Announcement last year." Preliminary ...ally accompany final dividend announcements.

[illegible]

* Board meetings intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made from reserves.

Works Loan Board rates

...loans B are 1 per cent. higher in each case than non-... † Equal instalments of principal. ‡ Equal repayments. Effective from October 13, 1976.

[illegible]

...n tea sales

[illegible]

Stocks at October 15 amounted to 51,622 metric tons, compared with 55,143 metric tons a year ago. Converted at 48.308 kilos per package.

SECO... CITY top £1 pre-t... prof...

...illier-Urban setback

...Urban, the ... engineering com... passing its dividend ... due to serious sales ... Paul Lendvai writes ...nna: The increase in ...elded with sharpened ...ion through imports. ...ast year were off-set ... tapping the reserves.

...sales total fell from ...n. (£12m.) in 1974 to ...n. last year. Invest... were cut by two-thirds ...3.4m. The Argentinian ...ry of the company, ... reported a good busi... ...ear but results were ...d through the inflation ...entina and profits could ...e transferred to the ... company.

...pite a slight improve... ...so far this year, pro... ...n capacity has not been ... utilised. Pressure on ...s margins remains strong ...se higher wage and ...ial costs could not be ...d on in the form of ...r prices. Sales in the first ...quarters this year were ...y 10 per cent. on the ...s during the same period in 1975 but it is unlikely that dividend payments will be resumed, for 1976, the Board said.

Banque Baud closed

The Paris commercial tribunal said it had ordered the closing of Banque Baud, a small deposit and investment bank, AP/DJ reports from Paris. Court officials said the bank had run up a large deficit in its investment operations.

The bank is controlled by Societe de Development and de Participation, which has various French, British and American shareholders.

Originally set up as a deposit bank in Evian, Eastern France, Banque Baud, in recent years, opened an office in Paris, where operations expanded rapidly.

The insolvency of some clients of the Paris branch prompted the Government control commission on banking operations to launch an investigation and suspend the bank.

The bank has about 1,000 banking accounts in Evian and about 500 in Paris.

...ECENT ISSUES

EQUITIES

[illegible]

WOODS FOO...

FIXED INTEREST STOCKS

[illegible]

...g progress envisaged

"RIGHTS" OFFERS

[illegible]

INTERNATIONAL COMPANY NEWS

Suez sees profits rise

BY DAVID CURRY — PARIS, Oct. 24.

COMPAGNIE Financiere de Suez, the important French banking and industrial holding company, is expecting a 10 per cent. advance in profits this year provided there is no rapid deterioration in the economic situation. At the end of August gross receipts before costs, financial charges, depreciation and tax came to Frs.234m. against some Frs.196m. at the same point of the previous year.

Net consolidated profit at the end of June was Frs.173.5m. (138.1m.) and the dividend at the end of the year will be at worst maintained and probably lifted, the company has said in a letter to shareholders.

The company notes that the banking sector is again afflicted with tight credit control and comments that the rise in day-to-day interest rates was harmful to dynamic companies. "These banks have got more incentive to lend money to their fellow banks than to their customers," comments M. Michel Caplain, the company president, acidly. He estimates that the main banking arms, Indosuez and CIC, would end the year with results falling between the poor figures of 1974 and the much more favourable 1975 outturn. Dividends would be at least maintained.

In the property sector the main subsidiary, Compagnie la Henin, ended August with its net profits up 28 per cent. at Frs.64m.

Saint - Gobain-Pont-a-Mousson, the main star in the company's industrial firmament, would turn in results well ahead of 1975 with a maintained dividend.

The most noteworthy feature of the period under review was, according to M. Caplain, the acquisition of a stake in the American financial concern Blyth Eastman Dillon and Co. Together with La Banque de l'Indochine et de Suez—which bulk large in the holding company's portfolio—Compagnie Financiere de Suez took a 20 per cent. holding in the American investment bank.

Recalling the company's policy of enlarging and consolidating its international operations M. Caplain comments: "We think that in spite of general economic problems the immediate future looks favourable for the company and its subsidiaries."

Heineken investment

BY MICHAEL VAN OS — AMSTERDAM, Oct. 22.

HEINEKEN announced over the weekend that it has decided to build a new distillery and a grain alcohol plant at Zoetermeer, north of Rotterdam. The total investment will be Fls.50m. The plant will become operative within 2½ years, but a spokesman declined to give the projected capacity of the plants.

The company said that the grain alcohol plant would assure Heineken of a source of raw materials which it had been lacking so far. During the ill-fated take-over battle between Heineken and Bols a few months ago, Bols' grain alcohol plant was said to be one of the chief attractions for Heineken, which wants substantially to increase its foreign distillery sales. Distillery sales still account for a minor share of Heineken's total sales.

Singapore bond issues move

BY H. F. LEE — SINGAPORE, Oct. 24

THE MONETARY authority of Singapore (MAS) has added two recent bond issues—the Development Bank of Singapore (DBS) U.S.$60m. 6½ per cent. convertible bonds 1991 and the Keppel Shipyard US$25m. 9 per cent. guaranteed bonds 1983—to its list of prescribed external bonds.

This move, which was expected, means that individuals, companies and trusts resident in Singapore are now allowed to invest any amount in these securities.

Under the republic's exchange control regulations, Singapore resident companies and individuals are allowed to invest in foreign currency securities up to a prescribed limit except when the investments are made in foreign currency securities designated as prescribed external bonds.

The MAS has never officially stated the criteria for qualification as prescribed external bonds but the seven bonds so far designated as such are those guaranteed by the Singapore government and are issued by wholly or majority Singapore government-owned corporations.

Apart from the two new additions, the existing prescribed external bonds are: the DBS $US10m. 8¾ per cent. guaranteed bonds 1982; the Republic of Singapore US$20m. 7¾ per cent. external loan bonds 1987; the Republic of Singapore DM100m. 7 per cent. bonds 1982; the Keppel Shipyard $US12m. 9½ per cent. guaranteed bonds 1982; and the Singapore Airlines DM50m. 8¾ per cent. guaranteed bonds 1983.

In another move, the MAS has also announced that the Ministry of Finance has decided to treat all prescribed external bonds as approved investments for tax exempt purposes in some cases.

Money and Exchanges

Bank of England Minimum Lending Rate 15 per cent. (since October 7, 1976)

Short-term fixed period interest rates rose sharply in the London money market last week with the result that Midland Bank and Williams and Glyn's increased their base lending rates to 14 per cent., bringing them into line with Barclays. The increase in interest rates followed from a severe shortage of funds in the market, largely caused by the recent success of the authorities in selling gilt-edged stock.

The one-month interbank rate rose to 14 15/16-15 1/16 per cent. from 14½-14 11/16 per cent. at the end of the previous week.

A very large take-up of Treasury bills, mainly from sources outside the discount market, contributed to a severe shortage of day-to-day credit on Monday, and the authorities gave assistance by buying an exceptional number of Treasury bills and local authority bills.

Settlement of gilt-edged sales was a major adverse factor on Monday and Tuesday, and the authorities gave extremely large help on Tuesday, including small lending overnight to three or four discount houses. Very large assistance on Wednesday included large official loans to the same number of houses, while Thursday's very large help was all by way of bill purchases.

The scale of help on Friday was small, by purchases of Treasury bills and local authority bills.

At Friday's Treasury bill tender the average rate of discount rose by 0.1344 per cent. to 14.4166 per cent. and Bank of England Minimum Lending Rate was unchanged at 15 per cent.

Local authority loan rates increased in line with other money market interest rates. One-year local authority bonds were placed at par with a coupon of 14½ per cent. to offer a yield ½ per cent. lower than the previous week's batch.

Sterling showed little change on balance in the foreign exchange market last week. It closed at $1.6480-1.6490 against the U.S. dollar on Friday, a fall of 20 points on the week. Its trade-weighted average depreciation since the Washington Currency Agreement, as calculated by the Bank of England, finished at 45.3 per cent., compared with 45.1 per cent. previously.

A realignment of the currencies in the European snake helped the pound on Monday, when it closed at $1.6545-1.6555, but suggestions that the adjustment to snake parities was not sufficient tended to depress sterling on Tuesday and Wednesday. Trading was fairly thin however and although the Bank of England may have intervened in the forward market from time to time there was no evidence of any large scale support for the pound.

The readjustment to the snake helped to keep the pressure off joint float agreed limits, but further buying of the D-mark pushed the German unit up to DM2.4225 against the dollar compared with DM2.4430 on the previous Friday.

Other currencies in the snake tended to be pulled up against the dollar by the strength of the D-mark. The dollar's trade-weighted depreciation, as calculated by Morgan Guaranty, from 2.41 per cent.

The French franc declined on Monday, but tended to improve over the rest of the week, finishing at Fr.Frs.4.98 in terms of the dollar, against Fr.Frs.5.00¾ previously.

Measures to prop up the lira by the Italian authorities failed to stop a general decline and the currency closed at L868½ against the dollar, compared with L844¼ a week earlier.

Trading in gold was generally very quiet and the metal ended the week at $115¾-116¼ compared with $115⅝-116⅛ on the previous Friday.

Oct. 22 1976	Sterling Certificate of deposits	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills ф	Bank Bills ф	Fine Trade Bills ф
Overnight	—	14⅝-15	—	—	—	—	13½-15	—	—	—
2 days notice	—	—	14⅞-15	—	—	—	—	—	—	—
†7 days or 7 days notice	—	14⅞-15	15-15⅛	—	15-15⅛	—	14⅝-14⅝	—	—	—
One month	15-14⅞	14 11/16-15 1/16	15-15⅛	15⅛-14⅝	15-15¼	—	14⅛	14 5/8-14 [illegible]	14⅞	15¼
Two months	15-14⅞	14½-15	—	15¼-14¾	15-15½	—	13¾-14¼	14½-14 [illegible]	14 [illegible]	15¼-15
Three months	15-14⅞	14½-15	15-15⅛	15¼-14¾	15-15¾	—	13½-14	14⅜	14½-14 [illegible]	15¼-14⅞
Six months	14¾-14⅝	14½-14⅞	14¾-15	15¼-14¼	15-15½	—	—	—	14⅛-14	15¼-14¾
Nine months	14⅝-14⅛	14½-14⅝	—	15¼-14¼	14¾-15¼	—	—	—	—	—
One year	14⅝-14⅝	14⅝-14½	14¾-14⅞	15¼-14¼	14⅞-15¼	—	—	—	—	—
Two years	—	—	14⅛-14⅞	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authorities mortgage rates nominally three years 14⅞-14¾ per cent.; four years 14⅞-14¾ per cent.; five years 14⅞-15 per cent. ф Bank bill rates in table are buying rates for prime paper. Buying rates for four-months bank bills 14 5/16-14¼ per cent.; four-month trade bills 15¼-14⅞ per cent. Approximate selling rate for one-month Treasury bills 14 7/32-14 5/16 per cent.; two-month 14 9/32-14¼ per cent.; and three-month 14 5/16-14¼ per cent. Approximate selling rate for one-month bank bills 14 11/16-14⅝ per cent.; two-month 14 9/16 per cent.; and three-month 14 13/32 per cent.; one-month trade bills 13½ per cent.; two-month 15¼-14¾ per cent.; and also three-month 15¼-14¾ per cent.

Finance House Rates (published by the Finance Houses Association): 12 per cent. from October 1, 1976. Clearing Bank Deposit Rates for small sums of seven days' notice 10½-11 per cent. Clearing Bank Base Rate for lending 13½-14 per cent. Treasury bill average tender rates of discount 14.4166 per cent.

FOREIGN EXCHANGES

[illegible]

* Basic discount. ‡ Given rates are for convertible franc. Financial franc [illegible].

OTHER MARKETS

[illegible]

* Basic discount. † Given rates are for dealers. ◆ Rate given is official rate. BCRA rate [illegible].

EURO-CURRENCY INTEREST RATES*

[illegible]

EXCHANGE CROSS-RATES

[illegible]

GOLD MARKET

[illegible]

FORWARD RATES

[illegible]

SPECIAL DRAWING RIGHTS RATES

[illegible]

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

MINING NOTEBOOK

Another 'problem' for Selection Trust?

BY LODESTAR

BULL POINT or bear point? That is the burning share market question that is now posed for the mine-finders. No longer is there the euphoria of the Poseidon boom days. That particular lesson has been well learnt. In these inflationary times much more thought is given to the huge capital cost of bringing the find to production and the fear that by the time it gets there rising mining costs may have whittled away much of the potential reward.

This kind of thinking explains why the shares of Selection Trust rose only a modest 5p to 395p on Friday following announcement of the initial diamond drilling results at the group's exciting copper-zinc find at Teutonic Bore in Western Australia. The details, given in our Mining News column on Saturday showed that the figures revealed here for the No. 2 hole a fortnight ago were very near the mark.

The 4½ per cent. for copper and 13 per cent. for zinc were indeed bang on. The core length in this hole was 38.1 metres (125 feet) and the mineralisation occurred at a depth down the hole of 127 metres (416 feet). Other drills gave copper values ranging up to 5.2 per cent. and zinc values of up to 20.7 per cent. And there was a useful bonus in the silver content of the cores. While the results may not yet have done much for the shares, they were reported to have provoked a high level of excitement in the Australian mining industry and are likely to further stimulate the staking rush on this acid volcanic belt already detailed in this column.

The Selection Trust view is naturally that there are early days yet but it is reckoned that it will be very unlucky if the strikes to date merely turn out to be rich pods of mineralisation. One sour broking comment was that the company now has another problem on its hands to add to those of the nearby Agnew nickel find and the Detour copper-zinc-silver discovery in Canada. That we should have such headaches was a much more sensible view from a rival mining house.

As Mr. Chester Beatty, Selection Trust's chairman, has pointed out, metals are the lifeblood of our industrialised society and the world's continuing needs for vast supplies of metals and minerals "will have to be paid for at a price which will continue to attract these supplies." Even the broker who has just issued a bearish diatribe about Selection Trust shares admits that "bravery in starting a mine development against the odds can have its rewards, since the situation can change significantly by the time production is achieved."

Meanwhile, in the short view, much is obviously going to depend on the further drilling results as they emerge, either officially or unofficially. This especially goes for Selcast Exploration, the group's Australian offshoot which is 84 per cent. owned by ST and which has a 12 per cent. stake in Teutonic Bore. The other major partner is MIM Holdings. Selcast rose 9p to 87p on Friday. Brokers Laing and Cruickshank reckon that they could "attract substantial speculative funds over the next 12 months." They could well be right.

Lord Erroll's quiz

On Thursday Lord Erroll, the new chairman of Consolidated Gold Fields, will be giving his first Press briefing on the subject of the 1975-76 annual report which is due to be published on Saturday. It should be an extremely interesting occasion in the light of the readjustments being made in the group's activities in Australia and South Africa.

Among a plethora of matters about which he is likely to be quizzed, the struggling Mount Goldsworthy iron ore operation in Western Australia's Pilbara will be high on the list—especially as the London parent is to acquire Consolidated Gold Fields Australia's one-third interest. Goldsworthy made a loss in the year to last June. Moreover, its existence into the next decade depends on whether the requisite Japanese contracts can be obtained to enable the Area C Marra Mamba iron ore deposit to be brought to production.

So far the Japanese have been concentrating on handing out contracts to enable existing mines to be expanded, rather than pay the prices that would be needed to allow new ones to start. For Goldsworthy, timing is now becoming critical. It is considered in Perth that mid-1977 is probably the latest date for an Area C go-ahead if it is to come on stream before the two existing mines run out of ore. It is thought that opening up other smaller deposits as a stop-gap would be impracticable.

Meanwhile, Gold Fields shares are hardly approaching the issue of the 89th annual report with any degree of enthusiasm. On Friday they were at a year's low of 117p. Between now and Lord Erroll's conference on Thursday another important event with an influence on their price will take place, namely the latest IMF gold auction. At least the bullion market is approaching this event with a greater degree of equanimity, and there are hopes that the down-trend of prices at which previous auctions have been settled will now be checked and provide a "floor" for gold that will be more solid than those which it has fallen through before. Yes, all in all, I think I would be a buyer of Gold Fields at their present depressed level.

Laughing at Agnew

How the Canadian uranium mining industry must be laughing! While it watches its Australian rivals writhing on tenterhooks, awaiting the still-delayed (this week?) Fox environmental report, it sees in its own country a potential new producer which is actually borrowing uranium ahead of coming on-stream to fill overseas contracts. There's enterprise for you Aussies. Moreover, the sales are being made at a reported $40 a pound.

The company is Agnew Lake Mines, part of Noranda's Kerr Addison group, and its borrowings should give it a greater degree of flexibility should the start-up next spring run into any teething troubles.

Agnew Lake will also be watched for another reason: the deposit is to be mined by means of the relatively new leaching process with "significant operating and capital cost savings." Success with its application could lead to more widespread use of a method which is still only at the experimental stage but which when finally proven could make lower-grade uranium deposits economic to extract. For shallow ore it could even do away with the need for shafts.

* * *

The report here last week that Pacific Copper's powerful partner, Europe's Estel group, is already engaged in engineering, design and marketing studies to bring the Cadia copper-gold find in New South Wales to production has now been officially confirmed in the company's quarterly statement. What shot PC shares up from 15p to 24p before reacting to 20p, however, was the NSW wolfram mine project which is already producing and about which further official news is still awaited.

* * *

A broker's opinion with which I agree comes from James Capel. It is that one share which could ride out the bad weather in South Africa's economy is Rustenburg Platinum now mouldering at a year's low of 95p. Ex premium its potential 1976-77 yield attractions could bring in buyers who are lucky enough not to be caught in the investment currency net.

INSURANCE

American legal problems

BY OUR INSURANCE CORRESPONDENT

I HAVE previously mentioned the considerable disquiet among British insurers concerning present attitudes among some American lawyers and in some American courts in relation to legal liability claims made by or against U.S. nationals or companies which have arisen out of events that have occurred not in the U.S. but elsewhere.

This problem, of what insurers and lawyers call "forum shopping" is not going to go away. So long as in the U.S. levels of injury compensation, in real and not in exchange terms, are some five times higher than in Britain, there is every incentive for the American passenger injured in a car accident in London to claim when he gets back to the U.S. against his fellow-citizen who was driving the car at the time.

Insurers have attempted to circumvent this kind of situation by including local jurisdiction clauses in those policies where there is a clear U.S. potential.

Such clauses aim to restrict cover to claims brought in the courts within the geographical limits of the policy.

But present legal activities in the U.S. cast doubt on the efficiency of these clauses and in several instances the U.S. assets of British insurers are now under attack in the American courts by claimants seeking to enforce judgments against them, the argument being that such local jurisdiction clauses are unconscionable.

Another aspect of this American forum shopping problem has come to my notice this week. I had been reading a paper entitled "Excess Liability" by Richard W. Turner, Vice-President and General Counsel of the General Reinsurance Corporation of Connecticut.

I think I should explain that the words excess liability in his context have a special meaning. To use his own words, "excess liability is the liability imposed by law upon an insurer in excess of its policy limit for violation of its duty to its insured in relation to the handling of claims against its insured."

It is quite clear from Mr. Turner's commentary and from the volume of U.S. case law which he cites from the last decade or so that many American judges are ready, in actions between policyholder and insurer to refuse on the flimsiest of grounds to allow insurers to rely on financial limits of cover clearly agreed at inception and stated in the policy.

Few British policies are issued without some financial limits—the U.K. private car policy is a notable exception—and for example, public liability and products liability policies invariably carry a specific limit of liability, for any one event or series of events with a common origin.

U.K. practice is also to state positively by condition that insurers, if faced with claims in excess of their policy liability, can at their discretion pay to the policyholder the pre-arranged limit and leave him to handle the claim or claims however he wishes.

In practice in Britain because limits are usually adequate and the average awards of compensation well within those limits, few problems arise.

The contrary seems to be the case in the U.S., and many of the policies mentioned in Mr. Turner's case notes seems to have bad low financial limits which in the event were exceeded by the awards made against the individual policyholders.

Whatever the facts of the many particular cases brought before the Courts there, the ingenuity of American lawyers has clearly been exercised and the volume of case law now shows that in the U.S. insurers are vulnerable over and above agreed policy limits if there is evidence of what the judges there have characterised as negligence and bad faith.

The dangers of excess liability over and above policy limits are clearly set out in Mr. Turner's book and need to be studied to be believed.

Undoubtedly excess liability adds a further dimension to the U.S. jurisdiction — forum shopping problems, making it that much more intractable and that much less quantifiable in terms of premium.

Indeed, it is becoming questionable whether any premium will be sufficient to compensate for the risks that insurers run at the hands of crusading consumerist U.S. lawyers financed by the American contingent fee system.

APPOINTMENTS

Charterhouse group posts

Mr. Christopher Poulton has been appointed a director of Charterhouse Japhet (Scotland) and Mr. Peter Vaughan a director of Charterhouse Japhet (Northern), the Aberdeen and Manchester-based subsidiaries of CHARTERHOUSE JAPHET, merchant bankers.

*

Mr. David R. Bearham, formerly general manager, City Area, London Telephones, has been appointed deputy director external telecommunications executive (operations) at the POST OFFICE in succession to Mr. Gordon Pocock, who has become director external telecommunications executive.

*

Mr. J. Morris has joined the Board of the METTOY COMPANY. Mr. R. Hall, recently appointed to the Mettoy Board has additionally joined the Board of Mettoy Playcraft, as has Mr. B. W. Lillyman. Mr. R. Bates, Mr. D. W. Baxter and Mr. T. Jones have been made divisional directors of Mettoy. The company will be managed by a joint executive consisting of Mr. A. Heaton, Mr. P. H. Katz and Mr. Morris, reporting to the deputy chairman, Mr. Arthur Katz.

*

Mr. Richard J. Lewy has been made an assistant vice-president of IRVING TRUST COMPANY and has been transferred to the bank's London branch with responsibility for correspondent and syndication business.

*

Mr. Peter Drew has been elected president of the FEDERATION OF MERCHANT TAILORS.

*

Viscount Leverhulme has been elected a vice-president of the LIVERPOOL SCHOOL OF TROPICAL MEDICINE.

*

The name of Nelson Donkin and Co., Lloyd's brokers, has been changed to KINGLEY CARRITT AND CO. Its Board consists of Mr. T. B. Langton (chairman), Mr. R. L. B. Carritt, Mr. R. C. Kingsley, Mr. P. M. Fletcher, Mr. A. Popple, and Mr. R. S. Langton (secretary).

*

Mr. M. C. G. Tickell has been appointed marketing director of AVERY-HARDOLL.

*

Mr. G. Duncan has been appointed chairman of the CALEDONIAN TRACTOR AND EQUIPMENT COMPANY following the retirement of Mr. J. McQueston, who now becomes a non-executive member of the Board. Mr. E. P. Prentice, joint managing director, retires from the company, and Mr. W. D. Charles has become director product support. Mr. Duncan is chairman of Lloyds and Scottish, the parent concern.

*

Mr. F. J. Chate, director, northern operations, Shell U.K. Exploration and Production, has been co-opted to ABERDEEN HARBOUR BOARD in place of Mr. Alexander Whyte, who has resigned.

*

Mr. M. J. W. Lofting, the director with special responsibility for exploration and production, has resigned from the Board of the BURMAH OIL COMPANY following the reduction of the group's activities in this field.

*

Mr. Philip P. Rimell has been taken into partnership with W. I. CARR, SONS AND CO., stockbrokers, from November 3.

INSURANCE BASE RATES

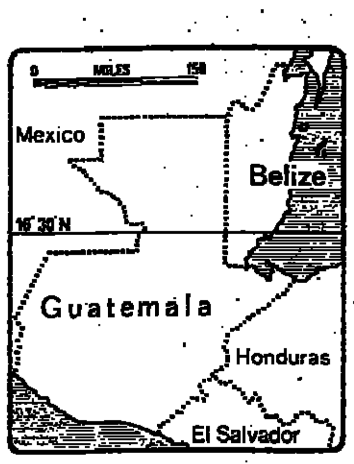
† Atlantic Assurance	... 12 %
Cannon Assurance	... 12½%

† Address shown under Insurance and Property Bond table.

Where British protection is welcome

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

THE CENTURY-OLD dispute between Britain and Guatemala about who should have sovereignty over Belize, formerly British Honduras, looks like coming to a head shortly. The territory, a 175-mile strip on the Caribbean first settled in the 17th century by British traders dealing in logwood and, later, mahogany, has been claimed by Guatemala on the grounds that it inherited rights to Belize from the Spanish empire.



Guatemala proposes that Belize shall become independent on condition that it cedes all its territory south of 16½ degrees N.

Britain rejects that argument and is now seeking to withdraw from the country, giving independence to the 130,000 Belizeans, a people of mixed race, and to their elected Government led by Premier George Price and his People's United Party. Though he wants independence, Mr. Price is unwilling to accept it unless he has guarantees against an invasion from Guatemala, whose population is nearly 40 times as big as that of Belize.

Britain is unwilling to give a potentially onerous and costly guarantee to so a distant a territory after independence. The 300 members of the Belize volunteer guard would not be enough on their own to ensure the territory's safety in the event of an all-out Guatemalan effort.

The position is complicated by the fact that Washington has wanted Britain to stay in Belize as a guarantee that Cuban influence will not be extended to the Central American mainland. Guatemala, from whose territory part of the Bay of Pigs invasion forces departed for Cuba, and the right-wing government of General Kjell Laugerud is also anxious not to have Cuban influence in Belize.

Thus for years Belize has remained in a political limbo, wanting independence, yet feeling unable to take it. But in the past year there have been signs that the political deadlock has been breaking up. In December of last year, as a result of strong lobbying by Britain, the Belizeans, the Commonwealth Caribbean countries, and by other Commonwealth powers, the UN General Assembly voted overwhelmingly to support Belize's right to independence. That was a crushing diplomatic defeat for the Laugerud Government. Premier Price, a very moderate social democrat, who has dominated Belizean politics for more than two decades, followed up the UN vote with a strong plea to the non-aligned countries at the Colombo Summit in August. Oncé again he was successful. Guatemala, whose delegate was initially not even allowed to land in Sri Lanka, was discomfited. Support for Belize has snowballed in Latin America, whose governments had traditionally supported Guatemala. Opinions even among Guatemala's partners in the Central American Common Market, most notably El Salvador and Costa Rica, have been veering towards support for Belize.

In the past few months there have been discussions among British, Belizean, and Guatemalan representatives at New Orleans and Panama which Britain and Belize say arise from the UN vote and which Guatemala says are just talks. The last round ended in Panama City last month. It included discussions about what is tantamount to a draft treaty to settle the question once and for all. The Guatemalans proposed that Belize should indeed go independent but on the condition that it ceded all territory south of the 16 degrees 30 minutes line—about a quarter of the country's area. The British and Belizeans suggested facilities to give Guatemala access to the Caribbean through Belize and guarantees that countries such as Cuba would gain no undue influence.

Though little progress was reported, it was agreed to meet again within a few weeks. Meanwhile the diplomatic struggle to make friends and influence people continues at the UN.

Britain is making clear to Washington that it is determined to withdraw from Belize at the first opportune moment, and that the U.S. must resign itself to finding ways to keep Cuban influence at bay other than the use of British troops. Washington, Whitehall argues, should use its influence with the Laugerud Government with which it is closely associated, to make Guatemala see reason on the Belize question.

With the cards stacked ever more heavily against Guatemala, the possibility is that nationalist extremists among the military and civilian politicians may try to take the matter into their own hands and stage some sort of *coup de main* against Belize.

Premier Price of Belize.

Guatemala has never been better armed.

Israel which with U.S. cooperation has been strengthening its links with various military regimes in the continent, most notably in Ecuador, has been supplying Guatemala with aircraft suitable to carry troops and drop paratroops. The U.S. military mission is strong in Guatemala and U.S. Rangers have trained the Guatemalan troops to a high level of efficiency.

Belize is defended by a small force of British troops, currently a battalion of the Queen's Own Highlanders with light armour, and a number of Harrier jump jets. This force might not be sufficient to check an all out Guatemalan attack without reinforcement. The Belize issue is among the most sensitive in Guatemalan politics. The territory is mentioned in the Guatemalan constitution as an integral part of Guatemala. Foreign maps not so showing it are apt to be confiscated, and seats in the Guatemalan congress are reserved for representatives of the "23rd department."

The question is how far General Laugerud wants to go and whether he can hold in check the more extreme elements among his supporters who want to go to war for the territory.

There is no quarter in Belize from which Guatemala could expect help. General Laugerud's decision to inaugurate a powerful new transmitter, Radio Mopan, "the voice of liberty," to beam Guatemalan propaganda all over Belize will not alter that. But the Guatemalans cannot be seen to be giving up yet. The process of persuading them to do so may still be long and ticklish.

Entertainment Guide

OPERA & BALLET

COLISEUM. 01-836 3161
ENGLISH NATIONAL OPERA
Tomor. & Fri. 7.30 Cavalleria Rusticana & Pagliacci; Wed. & Sat. 7.30 Rigoletto; Thur. 7.30 Don Giovanni.

COVENT GARDEN. 240 1066. (Gardencharge credit card booking, 836 6903).
THE ROYAL OPERA
Tonight & Fri. at 7.30: Macbeth
THE ROYAL BALLET
Tomor. & Thurs. at 7.30: The Dream, Monotones, A Month in the Country. Wed. & Sat. at 7.30: Rituals, The Invitation, Elite Syncopations. 65 Amphi seats for all perfs. on sale from 10 a.m. on day of perf.

SADLER'S WELLS TH. Rosebery Ave. EC1 837 1672. Evenings at 7.30. THE HANDEL OPERA SOCIETY
Wed., Sat. & Nov. 3, 5, Ariodante. Fri. & Nov. 2, 4, 6: Belshazzar.

THEATRES

ADELPHI THEATRE. 01-836 7611. Evgs. 7.30. Mats. Thur. 3.0. Sats. 4.0.
IRENE
"LONDON'S BEST NIGHT OUT SPECTACLE, CAPTIVATING TUNES AND RACY COMEDY." People.
IRENE
"SLICK, SUMPTUOUS—THE MUSICAL IRENE HAS EVERYTHING." D. Express.
IRENE
NOW BOOKING TO MARCH 1977 CREDIT CARDS ACCEPTED.

ALBERY. 836 3878. Evenings at 8.00. Mats. Thurs. 3. Sats 5 and 8.15 sharp. National Theatre production
MICHAEL JAYSTON
EQUUS
by PETER SHAFFER
Directed by John Dexter.
"STUNNING AND COMPELLING." Std.

ALDWYCH. 836 6404. Inf. 836 5332 ROYAL SHAKESPEARE COMPANY IN REPERTOIRE. Tonight & tomor: Bernard Shaw's
THE DEVIL'S DISCIPLE
"This triumphant revival is played by a flawless cast." Daily Express. Wed. Thur. Fri. Sat.—Chekhov's IVANOV. Next week: Arbuzov's OLD WORLD. (All perfs. 7.30. Mat. Sat. 2.30).

AMBASSADORS. 836 1171. Evgs. 8. Mats. Tues. 2.30. Sats. 5.30, 8.30.
NIGEL PATRICK, PHYLLIS CALVERT, ISABEL DEAN, JENNIFER HILARY in Denis Cannan's new play
DEAR DADDY
"Clever, Sharp and Amusing." E. Stand. "Constantly exhilarating." Gdn.
Dinner and Top Price Seat £6.30 inc

APOLLO. 01-437 2663. Evenings 8.00. Mat. Thur. 3.00. Sat. 5.30 and 8.30.
Pauline COLLINS, John ALDERTON "are BRILLIANT." D. Exp. in
CONFUSIONS
"Super Alan Ayckbourn gives audience such a wonderful evening." Sun. Times.

ARTS THEATRE. Mon. to Thur.—at 8.30. Friday and Saturday 7.30 and 9.15
TOM STOPPARD'S
DIRTY LINEN
"Hilarious . . . see it." Sunday Times.

CAMBRIDGE. 836 6056. Seats £4 to £3. Evgs. 8.00. Wed. 3.00, Sat. 5.00, 8.15
LAST SIX DAYS OF SEASON
Peter Wyngarde. Elspeth March
"Nyree Dawn Porter is superb." Mir.
ANASTASIA
"GRIPPING FROM START TO FINISH." Time Out. "GLITTERING." D. Mail. "Well crafted and entertaining." S. Exp.

COMEDY. 930 2578. Evenings 8.00. Mat. Thurs. 3.00. Sat. 5.30 and 8.30.
Winner of all the Awards
BEST PLAY OF THE YEAR
Michael GAMBON in Simon GRAY'S
OTHERWISE ENGAGED
Directed by Harold Pinter.

CONWAY HALL, Red Lion Square (Holborn Tube). 01-628 0898. Wed. Thur. Fri. 8.00. Sat. 6.30 and 9.00. Until Oct. 30 JOINT STOCK in THE SPEAKERS.

CRITERION. 930 3216. LAST WEEK. Evgs. 8. Mats. Thur 3. Sat. 5.30, 8.30
ALEC McCOWEN
MICHAEL BRYANT
JUDY PARFITT, ANNETTE CROSBIE in
THE FAMILY DANCE
by Felicity Browne
"Very funny, brilliant . . . an evening of delight." H. Hobson, Sunday Times

CRITERION. 930 3216. Opening 1 Nov. Evgs. 8.30 (11 Nov. at 7)
Warren Mitchell as
ALF GARNETT in
THE THOUGHTS OF CHAIRMAN ALF
by Johnny Speight.
"The appeal of it is appalling." D. Tel.

DRURY LANE. 01-836 8108. Evenings 8 sharp. Matinees Wed. and Sat. 3.00.
A CHORUS LINE
"A RARE DEVASTATING, JOYOUS ASTONISHING STUNNER." Sun. Times.

DUCHESS. 836 8243. Evenings 8.0. Fri., Sat. 6.15 and 9.0.
OH! CALCUTTA!
"The Nudity is Stunning." D. Tel.
Now in its 7th Incredible Year.

DUKE OF YORK'S. 01-836 5122. Evenings 8.00. Wed., Sat. 6.00 and 8.45.
TERRY SCOTT JUNE WHITFIELD
A BEDFUL OF FOREIGNERS
"GENUINELY HILARIOUS." Gdn.
Dinner-Top Price Seat £6 inc.

ELLE et LUI. 01-437 2661. (Walker's Court, Brewer Street, W.1.) (next to Raymond Revuebar)
PAUL RAYMOND presents
PENETRATION
An Erotic Adventure in French Pornography. An explicit Multi-Sexual Fantasy. Night 8.15 and 10.15.

FORTUNE 836 2238
Mon.-Fri. 8. Sat. 5 and 8. Thurs. 3
Avril ANGERS and Derek BOND in
AGATHA CHRISTIE'S
MURDER AT THE VICARAGE
2nd GREAT YEAR

GARRICK THEATRE. 01-836 4601. Evenings 8.00. Fri., Sat. 6.00 and 8.40.
RICHARD BECKINSALE is "Side-splittingly funny." (Daily Mail) in
FUNNY PECULIAR
"Mike Stott's exceptionally fine, vastly entertaining, brilliant comedy." S. Times. "More good laughs than any other play in London." Observer.

GLOBE. 01-437 1592. Evgs. 8.15. Mat. Wed. 3.0. Sat. 6.0 and 8.40.
PETER BARKWORTH, PETER JEFFREY, and "PENELOPE KEITH, the funniest woman in the West End." Guardian.
DONKEY'S YEARS
"MICHAEL FRAYN'S delightful comedy." Evening Standard. "Two hours of bubbling laughter." Daily Mirror.

GREENWICH. Crooms Hill, S.E.10. 858 7755. Evenings 7.30. Mat. Sat. 2.30. SCRIBES by Barrie Keeffe. "It gets Greenwich's new season off to a good confident start." Guardian. Last Week.

HAYMARKET. 930 9832. Evening 7.45. Mat. Wed. 2.30. Sat. 5.0 and 8.15.
"A PLEASURE TO WATCH." D. Tel.
Googie WITHERS, Susan HAMPSHIRE, John McCALLUM, Clive FRANCIS, Martin JARVIS and Bill FRASER
in Somerset Maugham's
THE CIRCLE
"I was delighted with this production at Chichester—I am now completely enraptured." Evening News.
"Theatrical magic — acting of the highest order." Jack Tinker, Daily Mail.

HER MAJESTY'S. 930 6606. Evg. at 8.0. Fridays and Saturdays 5.45 and 8.30.
IPI TOMBI
"PULSATING MUSICAL." Evg. News.

KING'S ROAD THEATRE. 352 7488. Mon. to Th. 9.00. Fri., Sat. 7.30, 9.30.
THE ROCKY HORROR SHOW
BEST MUSICAL OF THE YEAR
NOW IN ITS 4th ROCKING YEAR.

LYRIC. 01-437 3686. Evenings 8.00. Mat. Wed. 3.00. Sat. 5.00 and 8.30.
SHEILA HANCOCK, JOHN MOFFATT in THE BED BEFORE YESTERDAY
by Ben Travers
"Still the funniest comedy in London." Daily Mail. "Wittiest sex comedy of the year." Daily Express.

LYTTELTON (new National Theatre) 928 2252. Tomor. & Fri. 7.45, Sat. 2.30 & 7.45 JUMPERS by Tom Stoppard; Wed. 7.45, Th. 2.30 & 7.45 Blithe Spirit: Over 100 excellent £1 seats on sale day of perf. from 8.30 a.m. Car park open evening performances.

MAY FAIR. 629 3036. 493 2031
Evgs. 8.15. Fri. Sat. 6.0 and 8.45.
The crowned clown queen of satire
ANNA RUSSELL
"Last night's audience hysterical with laughter." Financial Times.
Seats from £1.10. Dinner/Show £6.60.
FINAL SIX DAYS

MERMAID. 248 7656. Food 248 2835. Evenings 8.00. Matinee Wed., Sat. 5.00.
FOR KING AND COUNTRY
by John Wilson
"A riveting production . . . as splendid a play as Journey's End." Dly. Exp. "Compulsive . . . Paul Copley is simply superb." Daily Telegraph.
Restaurants open noon and 6.30

NATIONAL THEATRE. See under OLIVIER and LYTTELTON.

NEW LONDON. Drury Lane. 405 0072. London's New Saucy Comedy! Katy Manning Peter Denver, Primi Townsend and Jeff Rawle in SO WHO NEEDS MEN! Mon.-Thurs. 8.0. Fri., Sat. 6.0 and 8.45. Reduced prices Friday 6.00 Performance.

OLD VIC 01-928 7616
LIMITED SEASON—Three Weeks Only.
Evenings 7.30. Mat. Sat. 3.0
LEONARD ROSSITER, JOHN STRIDE, DILYS LAYE, JOHN PHILLIPS
in PETER BARNES'
FRONTIERS OF FARCE
by FEYDEAU AND WEDEKIND
"I CANNOT REMEMBER HAVING SEEN A FUNNIER PLAY." Times.
"I LAUGHED LIKE A DRAIN." Gdn.
"ENORMOUSLY FUNNY." D. Express.

OLIVIER (new National Theatre). 928 2252. Tomor. 7.00. Wed. 2.15 & 7.30 IL CAMPIELLO by Carlo Goldoni; Thu. & Fri. 7.30, Sat. 2.15 & 7.30 Playboy of the Western World: Over 130 excellent £1 seats on sale day of perf. from 8.30 a.m. Car park open evening perfs.

PALACE. 01-437 6834. Mon.-Thurs. 8.00. Fri., Sat. 6.00, 8.40.
JESUS CHRIST SUPERSTAR

PALLADIUM. 01-437 7373
Opening tonight at 7.30 for 1 week only. Tues., Thur. 8.45, Wed., Fri., Sat. 6.15 and 8.45
FREDDIE STARR
Special Guests GUYS 'N' DOLLS and Full Supporting Company

PALLADIUM 01-437 7373
For 1 week only. Opening Mon. Nov. 1 at 7.30. Tues. Thur. Fri. 8.45. Wed. Sat. 6.15 and 8.45
CHARLES AZNAVOUR
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PALLADIUM 01-437 7373
BOOK NOW FOR
PETULA CLARK
8 PERFORMANCES, Nov. 8-13

PICCADILLY. 437 4506. Mon. to Fri. 8.0. Saturday 5.30 and 8.30 Mat. Wed. 3.00.
Jerome Kern's Hit Musical
VERY GOOD EDDIE!
"LOVELY to look at, DELIGHTFUL to hear and HEAVEN to watch." S. Exp. "Absolutely enchanting . . . I really loved it.", N.Y. Times. OVER 250 PERFS.

PHOENIX THEATRE. 01-836 8[illegible] Evenings 8.15. Fri., Sat. 5.45 & [illegible]
CARTE BLANCHE
THE SEXIEST SHOW IN LONDON
"SUMPTUOUSLY STAGED." D. [illegible]

PRINCE OF WALES. 01-930 8[illegible] Evenings 8.00. Fri., Sat. 6.00 and [illegible]
MICHAEL CRAWFORD
FRANCES CUKA
in SAME TIME NEXT YEAR
"SIMPLY GREAT." Daily Mail
TRIUMPH FOR CRAWFORD." D. [illegible]

QUEEN'S. 01-734 1166. Evenings [illegible] Mat. Thur. 3.00. Sat. 5.00 and [illegible]
ALEC GUINNESS, NICOLA PAG[illegible] MARK KINGSTON, ANGELA THO[illegible]
in YAHOO
"Spellbinding theatre." D. Tel. "[illegible] Guinness is utterly compelling." [illegible]

RAYMOND REVUEBAR THEATRE. [illegible] 1593. At 7, 9, 11 p.m. (Open S[illegible])
PAUL RAYMOND presents
THE FESTIVAL OF EROTICA '76
FULLY AIR-CONDITIONED. You [illegible] drink and smoke in the Auditorium.

REGENT. 323 2707. Evenings [illegible] Friday and Saturday 7.00 and 9.1[illegible]
THIRD ECSTATIC YEAR
New Cast!
New Excitement!
LET MY PEOPLE COME
AN ADULT MUSICAL
"Never a dull moment." Evening N[illegible]
100 tickets held for sale at do[illegible]

SAVOY. 836 8888. Evenings at [illegible] Sat. 3.00 and 8.00. Matinees Wed. [illegible]
ROBERT MORLEY, GEORGE CO[illegible]
in BEN TRAVERS'
BANANA RIDGE
"HILARIOUS SUCCESS." D. Tel.

ST. MARTIN'S. 836 1443. Evenings 8 [illegible] Mats. Tues. at 2.45. Sat. 5.00 and 8 [illegible]
AGATHA CHRISTIE'S
THE MOUSETRAP
World's longest-ever run, 24th Y[illegible]

SHAW. 01-388 1394. Evenings 7[illegible]
ROMEO AND JULIET

STRAND. 01-836 2660. Evenings [illegible] Mat. Thurs. 3.00. Sats. 5.30 and [illegible]
Doris Hare, McDonald Hobley, Arthur Howard, Barry McGinn
NO SEX PLEASE —WE'RE BRITISH
Directed by Allan Davis.
The World's Greatest Laughter Mak[illegible]

TALK OF THE TOWN. 01-734 5[illegible]
FULLY AIR-CONDITIONED
From 8.15 Dining and Dancing. At [illegible] Revue SWEET TEMPTATION at at 11 p.m. DREAM EXPRESS

THEATRE UPSTAIRS. 730 2554. Even[illegible] 8.15. AN' ME WI' A BAD LEG TA[illegible] Billy Connolly.

VAUDEVILLE. 836 9988. Evgs. 8. M[illegible] Tues. 2.45. Sats. 5.30 and 8.30.
IAN CARMICHAEL
"That most charming of light comedia[illegible] (D. Mail). "Sumptuously pretty JU[illegible] LOCKWOOD" (D. Tel), "PHYLLIDA L[illegible] a fine comic performance" (D. E[illegible] "Reducing a sophisticated first n[illegible] audience to hysteria" (Gdn.), "HU[illegible] PADDICK inspired comedy" (E. Ne[illegible] "Excellent fooling" (D. Tel.) in [illegible] perfect comedy of errors" (Yorks P[illegible]
OUT ON A LIMB
"Hosts of mirth" D. Exp. "[illegible] ever crackles into glorious farce." Times.

VICTORIA PALACE. 01-834 13[illegible] Opens November 10. A Lavish Re[illegible]
CILLA AT THE PALACE
with her friend
JIMMY TARBUCK

WESTMINSTER. 834 0283. Evgs. 8[illegible] Mat. Wed. 2.30. Sat. 5.30 and 8.[illegible]
HAPPY AS A SANDBAG
2nd Year of Delightful Hit Musica[illegible] "Wonderful, Don't miss it." D. Exp

WHITEHALL. 930 6692-7765. Evgs. 8[illegible] Sat. 6.00 and 8.45. Mats. Wed. 3.[illegible]
BRIAN RIX
"MARVELLOUSLY COMIC." Evg. Ne[illegible]
Terence ALEXANDER [illegible] DOW[illegible]
FRINGE BENEFITS
Supper and Top-price seats £5.40

WINDMILL THEATRE. 437 63[illegible]
Twice-nightly at 8.00 and 10.00
PAUL RAYMOND presents
RIP OFF
THE EROTIC EXPERIENCE OF THE MODERN ERA
An entire French production.
You may drink and smoke in the Auditorium.
"Takes to unprecedented limits what [illegible] permissible on our stage" Evening Ne[illegible]

WYNDHAM'S. 836 3028. Evgs. M[illegible] Friday 8.00. Saturday 5.15 and 8.[illegible]
Millicent Martin, Julia McKenzie, David Kernan, Ned Sherrin in
SIDE BY SIDE BY SONDHEIM
"If you are planning to spend o[illegible] evening in the musical theatre this ye[illegible] I urgently suggest you make it Side [illegible] Side By Sondheim. If you are planni[illegible] to spend two, GO TWICE." Punc[illegible] "GO THREE TIMES." Clive Barnes, NY.

YOUNG VIC (by Old Vic). 928 63[illegible] Tonight 7.45 ANTONY & CLEOPATR[illegible] (All seats 80p).

CINEMAS

ABC 1 & 2, SHAFTESBURY AVE. 8[illegible] 8861. Sep. Perfs. All Seats Bookable. 1: FUTUREWORLD (A). Wk. & Sun. 2.0[illegible] 5.00, 8.10. 2: PICNIC AT HANGING ROCK (A[illegible] RADIO ONE ON THE ROAD (U). Wk. [illegible] Sun. 1.45, 4.40, 7.50.

CASINO. Old Compton St. 437 68[illegible] THUNDERBOLT AND LIGHTFOOT [illegible] at 2.40 (not Sun.) and 6.35 THE WA[illegible] OF THE DRAGON (X) at 4.35 and 8.5[illegible]

CURZON. Curzon Street, W.1. 499 373[illegible] COUSIN COUSINE (AA). English Sub[illegible] titles. Progs. at 2.30 (not Sun.), 4.2[illegible] 6.25 and 8.30. "Quite delicious a[illegible] enormously funny." Daily Express.

EMPIRE. Leicester Square. 437 1234. A[illegible] seats may be booked at the box office [illegible] by post. LOGAN'S RUN (A). Sep. per[illegible] Progs. 2.30, 5.30, 8.30.

LEICESTER SQUARE THEATRE 930 52[illegible] Neil Simon's Comedy MURDER [illegible] DEATH (A). Sep. progs. Dly. 2.30, 5.3[illegible] 8.30.

ODEON HAYMARKET. 930 2738/27[illegible] TAXI DRIVER (X). Sep. progs. Dly. 1.3[illegible] 4.45, 8.15. Ft times Mon.-Suns. [illegible] 2.05, 5.20, 8.50. All seats may be book[illegible]

ODEON MARBLE ARCH. 723 2011. BUGSY MALONE (U). Sep. progs. D[illegible] 2.30, 5.30, 8.30.

PLAZA 1 & 2. Lower Regent Street, S.W[illegible] 437 1234. Sep. perfs. All seats bookab[illegible] Evg. perfs. Box Office 11 a.m. to 7 p.[illegible] (not Suns.). No phone bookings. 1: OBSESSION (AA). Daily 2.00, 3.4[illegible] 6.05, 8.25. 2: THE SHOOTIST (A). Progs. weekda[illegible] 2.30, 4.35, 6.40, 8.45.

PRINCE CHARLES, Leic. Sq. 437 81[illegible] Now in Her 3rd Sensational Year. T[illegible] One and Only Original EMMANUEL[illegible] (X). Sep. Perfs. Dly. (inc. Sun.). 2.4[illegible] 6.15, 9.00. Late Show Fri. & Sat. 11.4[illegible] Seats Bookable. Licensed Bar.

SCENE 1,2,3, LEIC. SQ. (Wardour Stre[illegible] 439 4470.
SCENE 1. Cont. Perfs. Dly. 12.30. L[illegible] Show Fri. & Sat. 11.55 Redford Hoffm[illegible] ALL THE PRESIDENT'S MEN (A[illegible] Progs. 12.30, 2.55, 5.55, 8.55. L[illegible] Show Fri. & Sat. 11.55.
SCENE 2. Cont. Perfs. Dly. 12.55. L[illegible] Show Fri. & Sat. 12.00 DRUM (X) P[illegible] 12.55, 3.05, 5.20, 7.30, 9.45. Late Sh[illegible] Fri. & Sat. 12.00.
SCENE 3. THE MESSAGE (A). Sep. Pe[illegible] Dly. 12.40, 4.10, 7.50. Late Show Fri. [illegible] Sat. 11.30.

WARNER WEST END, Leicester Squa[illegible] Tel: 439 0791
1. REDFORD HOFFMAN ALL T[illegible] PRESIDENT'S MEN (AA). Sep. pe[illegible] 2.05, 5.05, 8.05
2: CRY ONION (A). Cont. progs. 2.[illegible] 4.35, 6.30, 8.30.
3. STANLEY KUBRICK'S BARI[illegible] LYNDON (A). RYAN O'NEAL, MARI[illegible] BERENSON. Fully air-conditioned. S[illegible] progs. 2.30, 7.30.
4. CLINT EASTWOOD THE OUTLA[illegible] JOSEY WALES (AA). Sep. perfs. 2.[illegible] 5.10, 8.00.

ART GALLERIES

ROYAL ACADEMY OF ARTS. 01-7[illegible] 9052. L. S. LOWRY R.A. Until 14 N[illegible] 10-6 daily. Adm. 60p, 30p on Monda[illegible] and until 1.45 p.m. on Sundays. A[illegible] THE MICHELANGELO MADONNA A[illegible] OTHER TREASURES IN THE PRIVA[illegible] ROOMS, including a Memorial Exhibit[illegible] to Raymond Erith R.A. Until 31 O[illegible] Wkdys. 10-6 (closed Tuesdays). Subs. 2[illegible]

REDFERN GALLERY. RORY McEW[illegible] Paintings and Drawings. 12 Octob[illegible] 3 November, 20 Cork St., London W[illegible]

THOMAS GIBSON Fine Art, 9a New Bo[illegible] St., W.1. 499 8572. Weekdays 10-[illegible] JOSEPH GOLDYNE First London Exhi[illegible] tion Monotypes and Monoprints. Oct. 1[illegible] Nov. 11.

MAAS GALLERY. Exhibition of wat[illegible] colours, drawings and oils by JOH[illegible] WARD R.A. at 15a, Clifford Stre[illegible] New Bond Street, W.1. Daily 10-[illegible] Sats. 10-12, until November 5th.

PARKIN GALLERY, 11 Motcombe Stre[illegible] S.W.1. 235 8144. Summer Exhibiti[illegible] including British Painters in [illegible] Mediterranean.

MARLBOROUGH, 6 Albemarle St., W[illegible] Roger NELLENS 1st London Exhibitio[illegible] GRAPHICS, Nellens and leading contem[illegible] porary artists. Until 28th Oct. Mon.-F[illegible] 10-5.30, Sat. 10-12.30.

CLUBS

EVE, 189 Regent Street. 734 0557. A [illegible] Carte or All-in Menu. Three Spectacul[illegible] Floor Shows 10.45, 12.45, 1.45 a[illegible] music of Johnny Hawkesworth & Frien[illegible]

GARGOYLE, 69 Dean Street, London, W[illegible]
STRIPTEASE FLOORSHOW
SEX UNLIMITED
Show at Midnight also 1 a.m. Hostesse[illegible] Mon.-Fri. Closed Saturdays. 437 64[illegible]

STOP PRESS—With the help of its ne[illegible] International Chef JULIA'S is now servi[illegible] Haute Cuisine . . . you can enjoy [illegible] excellent meal while watching lively a[illegible] tastefully erotic Cabaret.
JULIA'S
Restaurant Cabaret Club
Enquiries and Reservations 734 [illegible] (day); 930 7648 (eve.), 4 Duke of Yor[illegible] Street, St. James's, London, S.W.1.

FT SURVEY OF CONSUMER CONFIDENCE

Back to lowest 'in recent years'

BY DONALD MACLEAN

[PU]BLIC CONFIDENCE in the [fi]nancial outlook has fallen back [t]o the lowest levels "seen in [r]ecent years," according to the British Market Research Bureau.

The bureau's latest survey, for the week to October 6, shows a sharp decline in confidence—with those expecting conditions to worsen outweighing those expecting an improvement by 32 per cent. of the sample of 991.

This accelerates the trend seen in earlier months. In July the similar margin was 1 per cent., but by September it had reached 18 per cent.

There has been a particular swing towards expecting conditions to worsen among salaried and professional men.

In September, ABC1 men (non-manual) were taking a slightly more optimistic view than adults as a whole, with a net 16 per cent. looking for a deterioration. But the October survey shows a rise in the figure to 39 per cent.

The period in which the latest survey was taken covers the last part of the Labour Party conference and the earlier part of the Conservative conference, and [illegible] the recent weakness of the pound.

A major reason for taking a pessimistic view was inflation, with the C2DE class (manual) gloomier on this account than the ABC1. There was also greater concern on the question of unemployment in the lower paid (but more heavily represented) category, but the white collar class attached greater importance to the part being played by the Government, and to the question of trade union action.

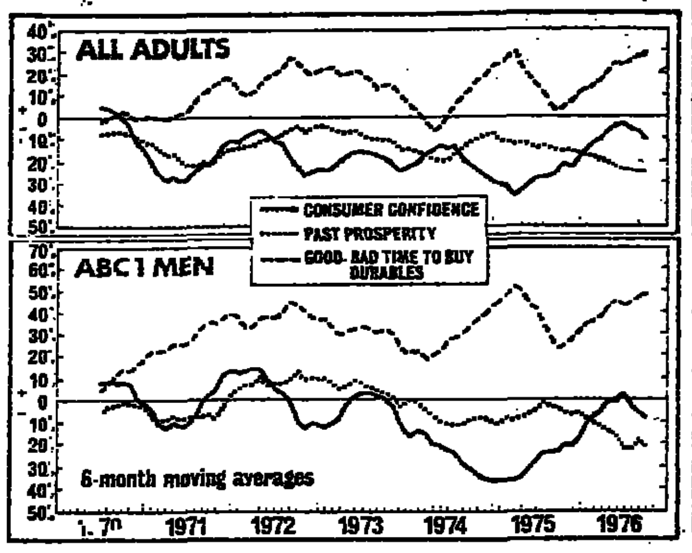
The six-month moving average of future confidence shows overall a preponderance of 11.2 per cent. expecting a worsening, against 8.2 per cent. in September, continuing the upward trend which started in August.

But there is a sharper loss of confidence shown among ABC1 men. In that group a balance of 2 per cent. was looking for improvement in July while a 5.5 per cent. balance was looking for worsensing in September, with 9.9 per cent. expecting a worsening in October.

Broken down by social category in order of degree of expectation that conditions will worsen, there was a 39 per cent. margin of pessimism in the ABC1 men group (against 16 per cent. in September), a 32 per cent. (26 per cent.) in the C2DE women, 34 per cent. (18 per cent.) in the ABC1 men, and 29 per cent. (14 per cent.) in C2DE men.

Associated with the fall in confidence in the financial outlook is an increase in the proportion of those believing it to be a good time to buy to a net 32 per cent. of the sample, compared with September's 26 per cent.

Some 72 per cent. of those who thought it a good time to buy said this was "because prices were bound to rise."



MAN IN THE NEWS: IAN CLARK — BY RAY PERMAN

A match for the oil giants

MR. IAN CLARK left Shetland at the week-end after eight years as a local government official in one of the smallest and the most remote authorities in Britain. Next month he joins the British National Oil Corporation as an executive director, having already made a national, even international reputation in the oil industry.

Mr. Clark's remarkable grip on the pace of oil development has become a byword with the same bewildering speed that the industry itself has grown. He is widely regarded as the David who faced down the oil Goliaths, yet his new job will be to draw the National Oil Corporation closer to the Philistines by bringing on the relationship with British Petroleum.

All indications are that he will start the job with the considerable boost of having won the respect of the top management of the companies who have had to deal with him. He may have been shrewd and uncompromising in negotiation, but he was also straight and honest.

It is probably too soon to judge the effect Mr. Clark has had on oil development objectively but may be seen eventually as less sensational and less disruptive, and more founded on common sense and consensus than has been made out so far.

His two main achievements have been in containing development to one site—the Sullom Voe oil terminal—when, as one oil company executive put it, "there was a risk of development breaking out in Shetland like measles," and ensuring that some of the profits stayed in the community to offset the damage and provide for the time when the oil boom is finished.

In comparison with the £400m. cost of the oil terminal, and the price of the 1m. barrels of crude that will pass through it daily, the expense of caring for Shetland will be negligible and possibly less than the savings from 30 companies sharing the same plant.

When the then 29-year-old finance officer arrived in Lerwick from the Borders in 1968 it was with an ambitious eye towards local government reorganisation. Events have opened wider doorways now: "I suppose that the last few years in Shetland have opened my eyes to some potential in myself that I had not realised existed," he says.

"I am attracted to the challenges of BNOC. In the national context it is in the same position as Shetland was four years ago: we knew there were fantastic possibilities ahead, but the benefits would come only from a mixture of hard work and initiative."

Mr. Ian Clark

Exciting things were happening in the bleak collection of islands when Mr. Clark landed there, but they were happening in fishing and knitting. A quietly spoken, kindly man, who reads his Bible daily and puts his religious principles into his work, he identified quickly with the interests of the tiny community during that pre-oil period.

It was then that the formidable alliance was formed between himself and the 22-man council, which by sharing the same hard life and interests could decide policy more quickly and more easily than larger authorities. Because the council staff was small, the chief executive had to take most of the work on himself and had to master every aspect of it.

It was a relationship closer to that of managing director and Board than to the usual municipal arrangement. That was one of the keys to Mr. Clark's strong position in bargaining with the oil companies. Another was the certainty he felt that it would be better for the islands' future if oil passed them by.

The extraordinary trust the council gave to an outsider is shown by the handling of the agreement giving Shetland compensation for the disturbance and in effect a share of the oil revenues. On Mr. Clark's initiative the council agreed to keep the details he negotiated secret, so that only he, one other official and a handful of councillors know them in full.

FT GROCERY INDEX

Meat prices cause biggest rise

BY DONALD MACLEAN

THE FINANCIAL TIMES Grocery Prices Index again rose sharply this month, by 6.94 points, to 237.28 or 3 per cent., meat prices accounting for almost half the rise.

The increase follows one of 4.1 per cent. in September, when dearer meat was also the leading factor. The rise then was less steep than this month's.

Potatoes, which had earlier tended to dominate the index over the past year or so, played a substantial part in the rise, as did higher prices for bread, tea and coffee.

The overall bill for the 11 Financial Times shoppers in various parts of the country rose by £20.49 to £701.27 in the four weeks to last Tuesday.

All ten categories into which the basket is divided showed a gain on the month. Although the meat section was the most substantial element in the overall rise in absolute terms, going up £9.91, or 6 per cent., the sugar-tea-coffee-soft drinks sector showed the sharpest gain, with a rise of £3.95, or 7.5 per cent.

The bill for bread and allied goods increased by £2.56, or 3.6 per cent., while the relatively small category of preserves and dry groceries showed an increase of £1.09, or 4.4 per cent.

The rise in meat prices has caused substantial concern in the retail butchering trade. Beef prices have trended upwards, as have lamb, while bacon also gained on balance.

FINANCIAL TIMES SHOPPING BASKET

	October 1976	September 1976
Dairy Produce	120.31	120.25
Sugar, Tea, Coffee, Soft Drinks	56.89	52.94
Bread, Flour, Cereals	73.29	70.73
Preserves and Dry Groceries	25.58	24.49
Sauces and Pickles	12.91	12.71
Canned goods	42.22	41.83
Frozen Foods	37.38	36.30
Meat, Bacon, etc. (fresh)	174.97	165.06
Fruit and Vegetables	108.05	106.96
Non-Foods	49.67	49.51
Total	701.27	680.78

1971: Feb. 100; Mar. 101.09; April 102.73; May 105.75; June 108.00; July 107.24; Aug. 105.40; Sept. 105.26; Oct. 104.35; Nov. 105.48; Dec. 108.26.

1972: Jan. 109.18; Feb. 109.10; Mar. 109.24; April 108.04; May 109.36; June 115.97; July 111.97; Aug. 113.40; Sept. 112.14; Oct. 113.15; Nov. 11: 114.48; Nov. 18: 114.49; Nov. 25: 114.72; Dec. 2: 114.72; Dec. 9: 114.75; Dec. 16: 115.77.

1973: Jan. 117.56; Feb. 119.25; Mar. 120.53; April 123.80; May 125.57; June 128.81; July 127.64; Aug. 126.59; Sept. 129.39; Oct. 133.83; Nov. 135.83; Dec. 138.26.

1974: Jan. 141.41; Feb. 141.52; Mar. 142.66; April 8: 143.23; April 29: 142.64; May 145.17; June 147.97; July 146.22; Aug. 145.25; Sept. 147.6; Oct. 150.5; Nov. 156.39; Dec. 159.15.

1975: Jan. 162.84; Feb. 167.77; Mar. 173.50; April 178.39; May 183.41; June 193.02; July 188.45; Aug. 189.23; Sept. 186.64; Oct. 189.79; Nov. 194.78; Dec. 201.90.

1976: Jan. 208.33; Feb. 211.81; Mar. 216.60; April 222.43; May 226.78; June 222.82; July 216.71; Aug. 221.34; Sept. 230.34; Oct. 237.28.

OVERSEAS MARKETS

EUROBONDS

Prices improve for dollar issues

BY TONY HAWKINS

ALTHOUGH new issue activity perked up last week, prices continued their steady advance in the dollar sector and were significantly better in the deutschemark and guilder areas as well.

Dealers will tell you that during the past month or so, secondary market activity in dollar bonds has been at, or near, its historic high. With new issue activity rather restrained for much of the month, paper has been scarce and sellers reluctant. The relentless pressure of excess liquidity has kept the straights moving ahead so that the Bondtrade index on Friday was at its 1976 high for medium and long term stocks, but convertibles continue to drift out of favour.

At this point in time there are no compelling arguments to indicate any reversal of this trend in the short term. Indeed, new issue activity may well decline next year at a time when demand forces are still growing.

At last week's Investment and Property Studies conference on the Euromarkets, Mr. A. J. Mattle of the Union Bank of Switzerland estimated that the self-generated amounts available in the dollar sector of the Eurobond market alone, from interest payments, sinking fund operations, repurchases and early or final redemptions, would total more than $5bn. next year as against $4bn. in 1976. Most of this can be expected to be re-invested in the bond market, and the point was made by another speaker, Mr. R. F. Azar (of Banque Arabe et Internationale d'Investissement) that a rapidly increasing proportion of funds from Saudi Arabia, Kuwait and the United Arab Emirates was likely to be channelled into Eurobond investment.

But so long as the world upturn stays sluggish and corporate liquidity continues to improve, the supply of issues seems unlikely to keep pace with demand; particularly demand for high quality corporate paper.

One potentially negative influence on the bond market should not be overlooked. Some observers believe that a high percentage of 1976 new issues is being absorbed by banks running large Eurobond portfolios and reaping a handsome margin, in the form of the gap between borrowing rates and bond yields. The danger here is that higher short-term interest rates could lead to liquidation of this kind of investment, with a resultant sharp fall in bond prices. It is a conceivable scenario, but on present form, an improbable one.

The volume of new issues on offer to-day is substantially higher than it was last week. The Quebec Hydro issue encountered such strong support that it was raised to $125m. from the original $100m.

Morgan Grenfell (Asia) and Daiwa Securities of Japan are lead managers for the $12m. Asian seven-year note issue by Nippon Miniature Bearing, announced to-day. Coupon and issue price are to be fixed on November 4, but an 8½ per cent. coupon is anticipated to give an 8.6 per cent. yield.

In the Canadian dollar sector—where prices were firmer last week—Pancanadian Petroleum's $25m. issue is reportedly going well. It is likely to be priced at par on a coupon of 9¾ per cent., which are attractive terms and a heavy oversubscription would not come as any surprise.

Canadian National Railways is to come to the market for $75m. on a coupon of 8½ per cent., and with a 10-year bullet maturity. Lead manager is Salomon Brothers International.

Ports Autonomes of France is raising $40m. with a 15-year issue (average life 10½ years) and a 9 per cent. coupon. It is guaranteed by the French Government and is expected to be priced at a slight discount.

Three privately-placed issues were announced during the week. In the dollar market, Caisse Nationale des Autoroutes raised $30m. with its 10-year issue on an 8½ per cent. coupon, and priced at par. When this is compared with the existing CNA issue of 1991 on a 9¼ per cent. coupon and priced at 100½ to 101, the borrower looks to have done well, no doubt reflecting current market conditions. Lead managers were Kidder Peabody.

The two other private placings were in the deutschemark sector, where Arbed raised DM60m. on a 7¾ per cent. coupon over seven years and priced at 99½, while Banque Européene de Credit of Belgium also obtained DM60m. over seven years on a 7½ per cent. coupon priced at par.

In the convertibles sector, Sekisui Prefab Homes is raising DM50m. with an issue of 15-year convertible bonds on an indicated coupon of 6¼ per cent. Final terms are to be set this week against the background of the very unpromising debut in the market by Sumitomo convertibles, priced at par and trading late last week at a middle price of 96½.

Prices were markedly firmer in the DM sector, partly on currency considerations. The Beechams issue was priced at 99¾ (as against 99½ indicated) and was trading on Friday at a premium with the price at 101½. Den Danske Bank priced at par was trading at 101.35 also reflecting the strength of the market.

AUSTRALIAN WEEKLY LIST

Australian $	Oct. 22	Oct. 15	Australian $	Oct. 22	Oct. 15
Advertiser Newspaper	†1.70	†1.66	Kiwi Int.	†0.86	†0.85
Ausett Transport	†1.12	†1.21	M.L.C.	†2.65	†2.58
Assd. Securities	†0.39	†0.39	Mauri Bros.	†0.60	†0.61
Aust. Guarantee	†1.60	†1.60	Mayne Nickless	†1.50	†1.55
Aust. Paper M'nf'rg.	†1.35	†1.35	Nylex Corporation	†0.40	†0.40
Boral	†1.98	†1.95	Olympic Cons.	†0.47	†0.47
Bramble Inds.	†1.65	†1.60	Overseas Corporation	†1.45	†1.55
Burns Philip	†2.37	†2.36	Petersville	†0.29	†0.29
Carpenter (W.R.)	†1.35	†1.28	Queensland Cement	†1.40	†1.45
Castlemaine Perkins	†3.90	†3.90	QBE	†1.20	†1.27
Coal & Allied	†1.98	†2.10	Rocla Industries	†0.86	†0.86
Commercial Bank	†2.35	†2.42	Swan Brewery	†1.25	†1.28
Commercial Union	†0.45	†0.43	TV Corporation	†0.88	†0.90
Commonw'lth Mining	—	†2.25	Thiess	†1.95	†1.85
Grace Bros.	†2.00	†1.94	Thomas Nat. Trans.	†1.66	†1.60
Hardie Asbestos	†6.00	†5.80	Toobeys	†1.14	†1.20
Herald & Weekly	†1.90	†1.99	Travelodge	†0.35	†0.40
Humes	†0.78	†0.76	Woodside Burmah	†1.18	†1.14

† Buyer. ‡ Seller.

TEL AVIV STOCK EXCHANGE

Company	Prices Oct. 24 1976	Change on the week	Company	Prices Oct. 24 1976	Change on the week
Banking, Insurance and Finance			**Investment Companies**		
Bank Leumi Le Israel	216	+3.0	Bank Leumi Invest	216	+3.0
I.D.B. Bankholding	255.5	+2.0	Discount Bank Invest Br.	248	—5.0
Bank Hapoalim Br.	278	+2.0	'CLAL' Israel Invest	208.5	—1.5
Union Bank of Israel Br.	265	+23.0	'CLAL' Industries	142	—2.0
United Mizrahi Bank	188	+11.0	**Commercial and Industrial**		
Hassneh Insurance Br.	307	—33.0	Alliance Tire & Rubber	750	+20.0
Wolfson Clore Mayer Br.	117	+1.0	Elco Br.	400	+19.0
General Mtge. Bank Br.	260	—2.5	Argaman Textile Br	345	—5.0
'Tefahot' Israel Mort. Bank Br.	271	—7.0	'Ata' Textile 'B'	193	+8.0
			Dubek Br	380	—10.0
			Elec. Wire & Cable Br.	112	—10.0
			Solel Boneh 10% Pref. Br.	190	—
			American Israeli Paper Mills	210	—6.0
			Assis	198	+4.0
Land Development			Tall Manuf. of Plywood Br.	151	—3.0
Africa Israel Invest. I £10	386	—4.0	Elite	310	—41.5
Israel Land Devel. Br	177	+1.0	Polygon	265	+15.0
Property and Building	242	+6.0	Teva 'Reg'	1105	—2.0
Mehadrin	358	—18.0			
Public Utility			**Fuel and Oil**		
Israel Electric Corp.	187.5	+0.5	Delek	209	—11.0

Source: Bank Leumi Le Israel, Tel Aviv.

HONG KONG

Hong Kong $	Oct. 22	Oct. 15
Govt. Loan 1948	87.00	87.00
Amalgamated Rubber	1.44	‡1.65
Bowaters	—	—
China Light & Power	25.10	24.50
City Hotels	30.00	—
Cosmopolitan Properties	—	—
Cross Harbour Tunnel	†9.10	9.00
E. Asia Navigation	6.25	5.10
Hong Kong Aircraft	50.00	50.00
HongKong&WhampoaDocks	9.95	9.30
Hong Kong Electric	4.48	4.25
HongKongKowloonWharf	15.00	16.00
Hong Kong Land Invest.	7.00	6.75
Hong Kong Shanghai Bank	18.00	17.30
Hong Kong Shanghai Hotels	11.30	10.90
Hutchison International	3.225	2.975
Inter. Pacific Securities	6.75	‡6.85
Jardine Matheson	—	16.00
Jardine Secs	6.65	6.20
Rubber	†1.65	‡1.65
Sime Darby	‡6.70	†6.50
Southn. Pac. Prop.	†0.62	†0.48
Southsea Textile	—	—
Swire Pacific A	9.20	‡8.80
Textile Alliance	—	—
Textile Corp of Hong Kong	—	—
Wheelock Marden	—	2.175
Wheelock Maritime	3.90	†3.40
Winsor Industrial	1.90	1.90
Wynncor	7.00	6.75

† Buyer. ‡ Seller.

SINGAPORE STOCKS

Oct. 21	$	Oct. 21	$
Industrials		Straits Trad'g	‡5.20
Bovis	†0.44	Temenggong	‡1.40
Boustead Co.	†1.52	Times Pub. Berhad	3.12
Boustead Bhd	5.18	U. Engineers	1.84
Dunlop	2.82	U. Ov's. Bk	3.76
Haw Par	0.93½	Wearne	2.55
Fraser Neave	4.02	Tractor	4.60
Hume Ind.	1.64	Chemical	†3.82
Inchcape	2.23	Will'm Jacks.	‡1.33
Jardine	1.93	**Rubbers**	
Malay Brew.	†7.80	Batu Lintang	†1.00
Malay Cemt.	2.62	Dunl'p Estate	1.62
Mal. Tobacco	†4.03	Kempas	‡2.40
Met. Bx/Sing	‡1.65		
Ov's Chin. Bk	7.90	**Tins**	
Pan Electric	1.66	Austral. Am.	—
Robinson Co.	2.14	Berjuntai	11.60
Rothman	†2.90	Kamunting	—
Shell	3.86	Kramat	‡2.70
Sime Darby	3.38	Kuchai	0.45
Cold Storage	3.06	Lower Perak	—
Straits Steam	2.28	Petaling Tin	‡4.00
Straits Times 1975 Ltd.	‡3.40	Sungei Way	†1.25
		Tongkah Har.	—

† Buyer ‡ Seller

CORAL INDEX
Close 285-290

I.G. Index 01-351 3466
March Cocoa 1,731½-1,738½

Indices

NEW YORK—DOW JONES

	Oct. 22	Oct. 21	Oct. 20	Oct. 19	Oct. 18	Oct. 15	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrial	958.75	944.90	954.87	949.97	948.56	957.00	1014.7 (21/9)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (2/7/32)
Home Bnds*	89.71	89.66	89.70	89.67	89.82	89.60	89.86 (25/9)	85.88 (5/7)	—	—
Transport	205.25	207.35	208.46	208.87	206.91	204.70	231.27 (14/7)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	95.12	96.69	97.01	96.88	96.85	96.62	98.02 (21/9)	84.8 (26/5)	163.32 (20/4/65)	10.58 (28/4/42)
Trading vol. 000's	17,870	17,980	15,860	18,200	15,710	16,210	—	—	—	—

* Basis of index changed from July 1.

Ind. div. yield %	Oct. 15	Oct. 8	Oct. 1	Year ago (approx.)
	4.10	4.03	3.92	4.60

STANDARDS AND POORS

	Oct. 22	Oct. 21	Oct. 20	Oct. 19	Oct. 18	Oct. 15	1976 High	1976 Low	Since compilation High	Since compilation Low
* Industrials	111.71	112.69	113.80	113.45	113.49	112.85	120.8 (21/9)	101.64 (2/1)	134.54 (11/1/73)	3.52 (30/6/32)
† Composite	99.96	100.77	101.74	101.46	101.47	100.85	107.83 (21/9)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	Oct. 20	Oct. 13	Oct. 7	Year ago (approx.)
Ind. div. yield %	3.61	3.59	3.55	3.74
Ind. P/E Ratio	11.50	11.56	11.66	11.97
Long Govt. Bond yield	5.34	5.27	5.23	6.00

N.Y. S.E. ALL COMMON

Oct. 21	Oct. 20	Oct. 19	Oct. 18	1976 High	1976 Low
53.85	54.33	54.18	54.21	57.51 (21/9/76)	47.08 (2/1/76)

Rises and Falls	Oct. 22
Issues Traded—1,833	Up—373
Down—1013	Same—447
New Highs 15	New Lows 47

MONTREAL	Oct. 22	Oct. 21	Oct. 20	Oct. 19	1976 High	1976 Low
Industrial	175.45	177.09	177.25	177.21	207.63 (19/3)	175.45 (22/10)
Combined	175.83	177.30	177.47	177.57	198.78 (20/5)	175.87 (22/10)
TORONTO Industrial	178.12	177.68	178.04	178.21	197.46 (20/2)	175.01 (2/1)
JOHANNESBURG Gold	140.3	140.2	142.8	144.1	226.7 (12/5)	115.3 (22/9)
Industrials	178.6	178.8	179.3	180.1	215.0 (21/5)	171.1 (30/3)

	Oct. 22	Previous	1976 High	1976 Low
Australia (a)	440.42	442.48	522.56 (19/8)	434.02 (18/10)
Belgium (b)	87.62	86.52	113.15 (5/5)	87.19 (15/10)
Denmark (d)	104.45	105.78	117.70 (19/8)	103.14 (14.10)
France (e)	54.6	55.4	74.3 (5/5)	54.0 (15/10)
Germany (f)	695.1	703.6	821.7 (17/3)	680.8 (15/10)
Holland (g)	82.4	83.2	105.0 (13/2)	77.9 (15/10)
Hongkong (h)	400.25	387.93	465.55 (17/6)	304.55 (2/1)
Italy (k)	68.60	70.03	91.37 (30/3)	65.25 (18/10)
Japan (m)	343.20	343.63	359.61 (1/9)	326.22 (5/1)
Singapore (n)	(c)	250.62	296.18 (5/2)	236.57 (2/1)

	Oct. 22	Previous	1976 High	1976 Low
Spain (p)	72.65	73.22	100.79 (7/5)	72.65 (22/10)
Sweden (q)	357.57	356.96	476.96 (10/6)	352.08 (19/10)
Switz'l'd (r)	264.5	267.0	298.8 (13/5)	263.6 (18/10)

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors 10): (a) Sydney All Ord (b) Belgian SE 31/12/63 (d) Copenhagen SE 1/1/73 (e) Paris Bourse 1961 (f) Commerzbank December, 1953 (g) Amsterdam Industrial 1970 (h) Hang Seng Bank 31/7/64 (k) Milan 2/1/73 (m) Tokyo New SE 4/1/68 (n) Straits Times 1966 (p) Madrid SE 31/12/74 (q) Stockholm Industrials 1/1/58 (r) Swiss Bank Corp 31/12/58 (u) Unavailable ‡ Excluding bonds. * 400 Industrials † 400 Inds., 40 Utilities, 40 Finance and 20 Transport (c) Closed

JOHANNESBURG

MINES

October 22	Rand	+ or —
Anglo American Corpn.	3.45	—0.05
Charter Consolidated	‡2.57	
East Driefontein	3.17	+0.17
Elsburg	1.28	—0.03
Harmony	3.33	—0.05
Kinross	3.00	
Kloof	†5.40	
Rustenburg Platinum	1.49	
St. Helena	‡16.00	
South Vaal	5.00	—0.05
Gold Fields SA	14.75	—0.25
Union Corporation	4.05	+0.10
De Beers Deferred	3.15	—0.05
Blyvooruitzicht	5.35	+0.10
Free State Geduld	‡18.00	
President Brand	12.75	
Stilfontein	2.10	
Welkom	†2.05	+0.05
West Driefontein	†25.90	—0.50
Western Holdings	20.00	+0.35
Western Deep	†9.50	

INDUSTRIALS

	Rand	+ or —
African Explos. and Chem.	1.90	
Anglo-Amer. Industrial	†7.90	
Barlow Rand	2.55	+0.03
CNA Investments	†1.55	+0.05
Currie Finance	0.49	
De Beers Industrial	†6.40	
Edgars Consolidated Inv.	2.20	—0.05
Edgars Stores	23.25	
Federale Volksbeleggings	2.00	—0.03
Greatermans Stores	‡4.00	
Guardian Assurance (SA)	†1.10	
Huletts	1.75	
LTA	†1.20	—0.05
McCarthy Rodway	†0.53	—0.03
Nedbank	1.75	
OK Bazaars	†0.30	
Premier Milling	5.95	+0.03
Pretoria Cement	2.70	
Protea Holdings	0.78	—0.05
Rand Mines Properties	2.00	
Rembrandt Group	2.50	
Sage Holdings	1.10	
SAPPI	1.75	—0.05
C. G. Smith Sugar	†5.45	
Sorec	†0.62	+0.01
SA Breweries	0.97	—0.01
Tiger Oats and Nat. Milg.	7.80	
Unisec	†0.33	

AUSTRALIA

Oct. 22	Aust. $
ACMIL	‡0.62
Acrow Australia	‡0.70
Adelaide Brighton Cent50c	†1.82
Allied Mntg-Trdg. Indus. $1	†1.59
Ampol Exploration	†1.20
Ampol Petroleum	†0.65
Assoc. Minerals	‡2.45
Assoc. Pulp Paper $1	†0.73
Assoc. Con. Industries	†1.40
Aust. Foundation Invest.	†0.79
A.N.I.	†1.06
Aust. Oil & Gas	‡0.12
Blue Metal Ind.	‡0.70
Bougainville Copper	‡1.20
Broken Hill Proprietary	†7.0
BH South	†1.45
Carlton United Brewery	‡1.88
G. J. Coles	†1.36
CSR ($1)	†4.30
Cons. Goldfields Aust.	‡2.30
Container ($1)	†1.30
Conzinc Riotinto	‡2.67
Costain Australia (25c)	†1.80
Dunlop Rubber ($1)	†1.07
ESCOR	†0.74
Elder Smith ($1)	‡2.02
E.Z. Industries	‡3.18
Gen. Property Trust	‡1.20
Hamersley	†2.25
Hill 50 Uranium NL	‡0.30
Hooker	†1.05
I.C.I. Australia	†1.64
I.A.C. Holdings	†0.82
Inter-Copper	‡0.20
Jennings Industries	†1.40
Jones (David)	†0.98
Metals Exploration	†0.48
MIM Holdings	†2.0
Myer Emporium	†2.20
News	‡2.0
Nicholas International	†0.68
North Broken Hill	‡1.90
Oakbridge	†1.02
Oil Search	†0.10
Pioneer Concrete	†1.08
Reckitt & Colman	‡5.40
H. C. Sleigh	†0.57
Southland Mining	†0.35
Sterks & Holdings	‡3.51
Tooth ($1)	†1.77
Waltons	†0.80
Western Mining (50 cents)	†1.50
Woolworths	†1.20

CANADIAN WEEKLY LIST

Stock	Oct. 22	Oct. 15
Alberta Gas Tk Line A.	13⅛	13⅝
Argus Corp. Ltd.	†30	†29
Brit. Colum. Tele.	12¾	12⅛
Bethlehem Copper	11	11⅛
Can. Packer Ltd.	†18¼	†19¼
Can. Perm. Mort.	15⅛	15¼
Can. Investment Fund.	4.38	4.51
Can. Pac. Inv. Cv. Pf A.	37¼	†36¾
Canron	†22¾	†22⅛
Conwest Exploration	3.00	†3.05
Cornat Ind.	4.75	4.80
Cr. Zellerbach Can.	18	‡18
Dom. Foundries	25⅞	25⅝
Dom. Stores Ltd.	14⅛	14⅛
Dom. Textiles Co.	8⅛	8
Fraser Co. Ltd.	†22	22
Frolex Ltd.	Unq.	Unq.
Great Lakes Paper	28⅛	‡29⅛
Husky Oil Canada	16⅞	16¾
Labatt John	17⅝	17¼
Labrador Mining	†32¾	†32
Nat. Drug & Chemical	5.12	†5.12
N. Canadian Oils	5⅞	6⅝
Oakwood Pet.	1.28	1.45
Pan Ocean Oil	Unq.	Unq.
Petrofina	†15¾	15¼
Redpath	†24¼	†25
Steinberg 'A'	15⅝	†15
Teck Corp Ltd.	4.80	5.12
Traders Grp. "A"	13	13⅛
Western Decalta Pet.	7¾	7⅝

† Bid ‡ Asked

Standa posts higher sales

MILAN, Oct.

STANDA, SPA., Italy's l[illegible] chain stores company, [illegible] consolidated group sale[s] L312.9bn. in the January [illegible] period this year, up 15.4[illegible] cent. from the first half of [illegible]

Standa sales of te[illegible] slumped by L3.7bn. to 60.5[illegible] the considered period.

However sales of food rose by L6.8bn. to L109.7bn[illegible] sales of home products incr[illegible] by L2bn. to L63.6bn.

Standa, which is controll[ed by] Montedison Spa., chemical [illegible] disclosed that costs of [illegible] power, equal to 75 per ce[nt of] the total company costs, rose in the first half of this [illegible] while financial burdens amo[illegible] to L3.9bn. against L3.1bn [illegible] year before.

A[illegible]

GERMANY ♦

Oct. 22	Prices Dm.	+ or —	Div. ‡	Yld. ‡
A.E.G.	80	—1	—	—
Allianz Versich.	480	+4	18¾	2.3
B.M.W.	204	—3	18	4.4
B.A.S.F.	143.6	—2.4	14	4.7
Bayer	122.2	—1.1	14	5.6
Bayer Hypo	276	—2	20	3.5
Bayer Vereinsbk.	277	—1.5	20	2.9
Commerzbank	169.7	—1.8	18	5.3
Conti. Gummi	71.5	—1.5	—	—
Daimler	324	—2	17	2.7
Degussa	215	—4	15	4.2
Demag	144	1	16	5.6
Deutsche Bank	273.9	—3.2	20	3.7
Dresdner Bank	212.8	—1.8	20	4.6
Dyckerhoff Zemt.	14	+4	6	2.2
Gutehoffnung	168.5	—2.5	14	4.1
Hapag Lloyd	105	—2	12	5.7
Harpener (Dm100)	139.5	+0.5	9	6.4
Hoechst	131.6	—1.4	14	5.2
Hoesch	49.9	—0.4	—	—
Kali Salz (Dm50)	105.5	—1.5	7	3.2
Karstadt	328	—6	20	2.9
Kaufhof	254.5	—3.5	20	4.4
Klockner (Dm100)	101.5	—2.0	—	—
Klock Humbolt	140.5	—2.5	10	3.5
Krupp Prf (Dm100)	12	......	—	—
Kundenkredit Bk	258	+3	20	3.9
Linde	194.5	—2.5	16	4.2
LowenbrauDm100	1,860	......	20	1.2
Lufthansa	92	—1.5	4	2.1
M.A.N.	196.5	—.5	12	3.0
M'esmann Dm100	318.5	—2.5	14	4.6
Metallge'schaft	300	—5	10	—
Munch. Ruckvers.	431	—9	18	2.1
Neckermann	78	......	—	—
Preussag Dm. 100	139	—1	7	5.2

PARIS

Oct. 22	Price Frs.	+ or —	Div. Frs.	Yld. %
Afrique Occid't'le	388.9	—0.1	19.8	5.1
Air Liquide	312	—15	16.5	5.2
Aquitaine	262.1	+0.1	22.5	[illegible]
Beghin	71	+1.2	—	—
B.S.N. Gervais	515	—11	37.8	7.2
Carrefour	1,311	—24	57	4.4
Chargeurs Reunis	161.1	—3.9	16.5	10.0
Citroen	48	—0.2	—	—
Cie Bancaire	259	+2	12	5.0
C.G.E.	245	—2	23.9	9.7
Credit Com Fr'nce	106.5	+0.5	10.9	10.5
Credit Foncier	296	—3	29¼	9.8
Denain N. E.	69.9	—0.2	18.75	26.7
Fr. Petroles	92.2	—1.9	14.1	15.0
Gal. Lafayette	68	—0.05	—	—
Gen. Occidentale	165.8	—0.5	7.5	4.5
Imetal	102	—1	4.95	4.4
Lafarge	181	......	15.75	8.7
L'Oreal	848	—8	15	1.9
Machines Bull	28.8	+0.75	1.5	5.6
Michelin "B"	1,186	—14	30.6	2.6
Moet Hennessey	425	—11	11.6	2.8
Paribas	159	—0.5	18¾	11.7
Pechiney	80.8	—1.3	7.5	9.1
Peugeot (Frs. 70)	208	—6	15	7.1
Printemps	45.2	—1.8	—	—
Redoute	561	—10	22.5	4.0
Rhone Poulenc	68.5	—1.5	9	13.0
Saclior S.A.	37.8	+1.3	—	—
Suez	197	—3.1	24	12.0
Thomson Brandt	160	—3	14.25	7.4
Usinor	43.5	—0.5	—	—

AMSTERDAM

Oct. 22	Price Fls.	+ or —	Div. %
Ahold (Fl.20)	80.5	—1	20
Akzo (Fl.20)	27	—0.3	—
Algem Bnk (Fl.100)	282	—5	[illegible]
AMEV (Fl.10)	60	+1.5	[illegible]
Amro Bank (Fl.20)	65	—0.6	[illegible]
Van Berkels (Fl.50)	105	—1.6	12
Bijenkorf (Fl.20)	86	......	21
Boka West'm Fl.10	104.7	—0.6	57
Buhrm-Tetterode	54.8	+0.8	23
Elsevier (Fl.20)	258	—7	18
Ennia N.V. Bearer	100	......	28
EuroComTst Fl.10	59	......	30
Gist Brocades Fl.10	49.3	—0.4	20
Heineken (Fl.25)	139	—0.5	14
Holland Fund	121.5	—1.3	6.9
Hoogovens (Fl.20)	40	—1.5	—
H'nterDouglas Fl.	26.7	—2	11
I.H.C. Holland	14.2	—0.5	10
K.L.M. (Fr.100)	115.5	—1.7	—
Int. Muller (Fl.20)	38.1	—0.9	10
Naarden (Fl.10)	41.5	—1	—
Nat. Ned. Ins'rnce	75.9	—1.1	[illegible]
Ned Cred Bk (Fl.20)	43.2	—1.1	—
Ned Mid Bk (Fl.50)	130.7	—2.3	[illegible]
Nedlloyd (Fl.50)	69	+0.2	[illegible]
N'iverdal-t. Cate	37.5	—1.3	—
OGEM (Fl.20)	168	—6	28
Van Ommeren	177	—4.5	10
Pakhoed (Fl.20)	55	—0.5	20
Philips (Fl.10)	26.5	—0.5	14
Rijnschelde Ver Fl.100	69.8	—0.7	18
Robeco (Fl.50)	176	—1	26
Rolinco (Fl.50)	136	—1	5
Rorento (Fl.50)	117.5	+0.2	8.6
Royal Dutch Fl.20	120	—0.8	43.7
Slavenburg's Bank	253	......	19

OVERSEAS SHARE INFORMATION

NEW YORK

Investment premium based on $2.60 per £—116% (same).

CANADA

MILAN

TOKYO†

BRUSSELS/LUXEMBOURG

SWITZERLAND*

STOCKHOLM

COPENHAGEN

OSLO

BRAZIL

VIENNA

SPAIN ▼

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.

AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

REGIONAL MARKETS

21		N'thn. Goldsmith	25		Concrete Prods.	40	
350		P.M.A.	26	+½	Heiton (Hldgs.)	23	
20		Pearce (C. H.)	85		Ind. News	35	
65	-1	Peel Mills	11		Ins. Corp.	148½	
22		Robb Caledon Sh.	46		Irish Distillers	42	-1
	+½	Sayers 12½p	15		Irish Ropes	86	
32		Sheffield Brick	73		Jacob	46	
16		Sheff. Refrshmt.	130		Sunbeam	12	
330		Shiloh Spinn.	21	-1	T.M.G.	65	-5
6		Sindall (Wm.)	49		Unidare	42	

BASE LENDING RATES

Irish Banks Ltd. 14 %	Julian S. Hodge .... 15 %
...an Express Bank 14 %	Hongkong & Shanghai 13½%
...Portuguese Bank 14 %	Industrial Bank of Scot. 13½%
...Ansbacher 14½%	Keyser Ullmann ...... 14 %
...de Bilbao 13½%	Knowsley & Co. Ltd. ... 15½%
...of Cyprus .... 14 %	*Lloyds Bank* 13½%
...of N.S.W. .... 14 %	London & European ... 14½%
...du Rhone S.A. 14½%	*London Mercantile* ... 14 %
...s Bank .... 14 %	Midland Bank .... 14 %
...Christie Ltd.... 15 %	■ Samuel Montagu .... 14 %
...Holdings Ltd. 14 %	■ Morgan Grenfell 13½%
...ank of Mid. East 13½%	National Westminster 13½%
...Shipley .... 14 %	Northern Comm. Trust 14 %
...Permanent AFI 13½%	Norwich General Trust 14 %
...C & C Fin. Ltd. 14 %	P. S. Refson & Co. ... 13½%
Bowater Co. Ltd. 14 %	Rossminster Accept'cs. 13½%
...Holdings 12½%	Royal Bk. Canada Trust 13½%
...house Japhet ... 14 %	Schlesinger Limited ... 14 %
...Coates .... 15 %	*E. S. Schwab* .... 15 %
...dated Credits ... 13½%	Security Trust Co. Ltd. 15 %
...ative Bank *13½%	*Shenley Trust* .... 16 %
...ian Securities... 13½%	Standard Chartered ... 14 %
...Lyonnais ...... 14 %	Trade Development Bk. 13½%
...Dawes .... 15 %	Twentieth Century Bk. 15 %
...Lawrie ...... 14 %	United Bank of Kuwait 13½%
...Trust 13½%	Whiteaway Laidlaw ... 14½%
...Transcont. ...... 14 %	Williams & Glyn's ...... 14 %
...ndon Secs....... 13½%	Yorkshire Bank 13½%
...Gibbs 13½%	
...Durrant Trust... 14 %	
...and Guaranty... 13½%	
...ys Bank ....‡13½%	
...ss Mahon 13½%	
...'s Bank .... 14 %	
...muel ....§14 %	
...re & Co. ....†13½%	

■ Members of the Accepting Houses Committee.

* 7-day deposits 10½%, 1-month deposits 10½%.

† 7-day deposits on sums of £10,000 and under 10½%, up to £25,000 10¾% and over £25,000 11¼%.

‡ Demand deposits 12%.

§ Call deposits over £1,000 10½%.

FINANCIAL TIMES STOCK INDICES

	Oct. 22	Oct. 21	Oct. 20	Oct. 19	Oct. 18	Oct. 16	A Year ago
...t Secs.	57.09	57.06	57.11	57.16	57.15	57.02	58.12
...ter.	56.64	56.64	56.54	56.53	56.44	56.51	58.81
...Ordinary	289.7	295.6	295.3	302.4	303.6	292.9	356.7
...	105.7	107.9	106.0	106.5	111.0	106.5	261.8
...Yield	7.69	7.54	7.53	7.46	7.38	7.65	5.94
...ld%(full)(a)	23.77	23.32	22.76	22.29	22.30	23.06	16.50
...net) (c) (b)	6.18	6.30	6.49	6.62	6.62	6.41	8.72
...arked	3,695	4,183	4,426	5,479	4,366	4,396	6,801
...nover £m.	—	34.06	36.05	34.87	55.46	42.02	65.67
...gains total.	—	8,288	9,624	10,648	10,368	11,218	16,821

10 a.m. 293.2. 11 a.m. 291.8. Noon 291.0. 1 p.m. 291.6.
2 p.m. 291.4. 3 p.m. 291.5.
Latest Index 01-246 8026.

(a) Based on 52 per cent corporation tax. (b) Nil=6.14.
100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold ...55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

1976 High	1976 Low	Since Compilation High	Since Compilation Low
65.21 (5/1)	56.74 (14/10)	127.4 (9/1/35)	49.18 (3/1/75)
64.45 (5/1)	56.26 (8/10)	150.4 (28/11/47)	50.53 (3/1/75)
420.6 (4/5)	286.1 (11/10)	543.6 (18/5/72)	49.4 (26/6/40)
446.9	78.8	442.3	42.6

S.E. ACTIVITY

—	Oct. 22	Oct. 21
Daily—		
Gilt-Edged	138.0	196.4
Industrials	113.9	120.2
Speculative	28.9	33.5
Totals	84.1	95.2
5-day Av'r'ge.		
Gilt-Edged	189.8	209.8
Industrials	132.1	136.1
Speculative	35.2	35.0
Totals	100.8	104.0

FT—ACTUARIES INDICES

OFFSHORE AND OVERSEAS FUNDS

NOTES

Businessman's Diary

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	Birmingham Ideal Home Exhibition (cl. Oct. 30)	Nat. Exbn. Centre, B'ham.
Current	International Motor Show (cl. Oct. 30)	Earls Court
Current	International Ski Show (cl. Oct. 31)	Olympia
Oct. 26—28	Highland Trade Fair	Aviemore Centre
Oct. 26—29	Microforum International Exhibition	Wembley Conf. Centre
Oct. 26—29	London Fashion Exhibition	Olympia
Oct. 27—30	British Intnl. Fashion Fair	Nat. Exbn. Centre, B'ham.
Oct. 31—Nov. 4	Int. Domestic Contract Textiles Exbn.	Nat. Exbn. Centre, B'ham.
Nov. 1—4	Scottish Fashion Show	Central Hotel, Glasgow
Nov. 2—4	Nat. Housing and Town Planning Exhibition	Metropole Centre, Brighton
Nov. 8—12	Automated Production Exhibition	Belle Vue, Manchester
Nov. 8-14	Israel Book Week	Nat. Book League, W.1
Nov. 9—13	Scottish Packaging and Printing Exhibition	Glasgow
Nov. 11—21	Caravan Camping Holiday Show	Earls Court
Nov. 14—21	International Kitchen and Bathroom Show	Olympia
Nov. 15—17	National Graphic Design and Drafting Exhibition	London Hilton, W.1
Nov. 15—20	Public Works and Municipal Service Exhibition	Nat. Exbn. Centre, B'ham.
Nov. 15—20	Environmental Pollution Control Exhibition	Nat. Exbn. Centre, B'ham
Nov. 23—25	Computer Peripherals and Systems Exbn. and Conf.	Wembley Conf. Centre
Nov. 27—Dec. 5	Custom Car Show	Olympia

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Current	Fourth International Trade Fair (cl. Nov. 1)	Tehran
Current	International Technical Fair (cl. Nov. 27)	Stockholm
Oct. 27—30	Fish Expo '76	Boston
Oct. 28—Nov. 11	Do-It-Yourself Exhibition	Paris
Oct. 30—Nov. 7	German Catering and Foodstuffs Exhibition	Berlin
Nov. 1—6	Intnl. Hydraulics and Pneumatics Exhibition	Zurich
Nov. 3—10	Mechanical Handling Equipment Exhibition	Utrecht
Nov. 3—14	International Motor Show	Turin
Nov. 4—10	International Hotel and Catering Equipment Exbn.	Munich
Nov. 7—15	International Caravan Show	Brussels
Nov. 9—13	International Maritime Exhibition	Amsterdam
Nov. 10—15	International Furniture Show	Brussels
Nov. 13—18	International Hotel & Restaurant Fair	Dusseldorf
Nov. 15—20	International Food Exhibition	Paris
Nov. 15—20	International Packaging Exhibition	Paris
Nov. 19—21	Italian Footwear Fashion Fair	Florence
Nov. 20—23	International Optical Fair	Brussels
Nov. 24—30	Intl. Fair of Machine Tools and Ind. Equipment	Tehran

BUSINESS AND MANAGEMENT CONFERENCES

Oct. 26—28	ORC (U.K.): Paying People Abroad	Connaught Rooms, W.C.2
Oct. 27—30	Strategic Management: Integrated Marketing	Bournemouth
Oct. 28	ABP: Employees' Remuneration and Benefits	Albany Hotel, Glasgow
Oct. 28	WTI: New Approach to Exporting	World Trade Centre, E.1
Oct. 28	MSS: Computers in Manufacturing	Datsun House, Worthing
Oct. 28—29	Oyez: Risk Man. in Offshore Oil & Gas Recovery	Inn on the Park, W.1
Oct. 29	LCCI: Building and Materials in the Gulf	69, Cannon Street, E.C.4
Oct. 29	Management Studies: CTT and Private Businesses	Manchester Bus. School
Oct. 29	Imp. Coll.: Computers Behind the Screen	Exhibition Road S.W.7
Oct. 29—31	G.K. Tutorial: International Banking Seminar	Post House, W.2
Nov. 1—2	Farmers' Weekly: U.K. Dairy Ind. Conference	Stratford, Warwicks.
Nov. 2	BAS: U.K. Constr. Ind. in Saudi Arabia	Cavendish Conf. Centre, W.1
Nov. 2—3	Financial Times: European Banking	Stockholm
Nov. 2—3	Physical Distribution Man. Centre—Nat. Conf.	Nat. Exbn. Centre, B'ham
Nov. 3—5	Frank Jefkins: Effective Publicity Writing	Connaught Rooms, W.C.2
Nov. 4	Brunel University: Organisational Stress	Uxbridge, Middlesex
Nov. 4	*Inst. of Work Study: Ports and Shipping*	*Newcastle*
Nov. 4	New Law Journal: Tax after Finance Act 1976	Cafe Royal, W.1
Nov. 4	EBI: Budgeting Management Time	Cafe Royal, W.1
Nov. 8—12	Abraxas: Synetics-Innovative Skills	68, Churchway, N.W.1
Nov. 8—26	Strathclyde Univ: Senior Management Course	Strathclyde Bus. School
Nov. 9—11	Ind. Newsp.: Chemistry in Ind.—The Way Ahead	Wembley Conf. Centre
Nov. 10	CBMPE: Offshore Activities-Sub-Sea-Engin'g.	Cafe Royal, W.1
Nov. 10	Economic Models: Paper and Board Forecasts	30, Old Queen St., S.W.1
Nov. 10—11	Financial Times, Investors Chronicle: World Insurance	Royal Lancaster Hotel, W.2
Nov. 10—11	Investment in 1977 Conference	Johannesburg
Nov. 11	Henley Centre: The Path to Prosperity	Bowater House, S.W.1
Nov. 11	Inbucon: Transactional Analysis	Barrington House, E.C.2
Nov. 11	Institute of Directors Annual Convention	Royal Albert Hall, S.W.7
Nov. 15—26	H. Mitchell: Organisation and Methods Course	Beeston, Notts.
Nov. 16—18	Financial Times, Olade, The Oil Daily: Latin American Oil	Mexico
Nov. 17—18	PBIS: Trusts and Capital Transfer Tax	London Press Centre, E.C.4
Nov. 17—18	Offshore Centre: Trading with the Oil World	Connaught Rooms, W.C.2
Nov. 17—18	ESC: Takeovers, Aquisitions and Mergers	Portman Hotel, W.1
Nov. 18—19	Notcutt Inv.: An Int. Approach to Investment	Malta
Nov. 22—26	P-E Cons. Group: Leadership in Management	Training Centre, Egham
Nov. 23	ICFC: Capital Transfer Tax and Small Businesses	Nat. Exbn. Centre, B'ham
Nov. 23—25	Bradford Univ.: Forecasting for Managers	Heaton Mount, Bradford
Nov. 24	Staniland: Prospects for Consumer Spending	Carlton Tower Hotel, S.W.1
Nov. 24	BACIE: The Employment of Young People	Kennington, Oxford
Nov. 28—29	Financial Times, Gulf Air: Business with the United Arab Emirates	Dubai
Nov. 29—Dec. 1	Inst. Chtr. Accts.: Partnership Tax Planning	St. John's Hotel, Solihull

BANKING APPOINTMENTS

CONTRACTS AND TENDERS

SCOTTISH DEVELOPMENT DEPARTMENT

LONDON-EDINBURGH-THURSO TRUNK ROAD A9

AVIELOCHAN TO SLOCHD SUMMIT

The Secretary of State for Scotland proposes to invite tenders from experienced contractors for the construction of the above section of trunk road, approximately 30 km south of Inverness, extending from Avielochan on the London-Edinburgh-Thurso Trunk Road (A9) for a distance of approximately 14 km to the Slochd Summit.

The construction is of some 14 km of 7.3 metre single carriageway in either flexible or rigid pavement. The scheme includes the excavation of approximately 900,000 cubic metres of soft material and 470,000 cubic metres of rock, all of which is to be placed in embankment. Also included is the construction of one major 3 span bridge of 180 metres in length and 3 other bridges, together with side road connections, drainage and other ancillary works. Approximate cost of the works is £7.5 million.

Subject to the completion of statutory processes, it is hoped to issue the contract documents approximately in January 1977 and the contract period will be 24 months.

Contractors wishing to be considered for inclusion in the list of firms to be invited to tender for this contract should apply to The Secretary, Scottish Development Department, NCR Building, 2 Roseburn Gardens, Edinburgh EH12 5NJ not later than Monday 15 November, quoting reference RUP/18/5/1. Thereafter *invitations to tender will* be extended to selected contractors and the necessary tender documents and drawings will be issued by Messrs. W. A. Fairhurst and Partners, Consulting Engineers, 43 George Street, Edinburgh EH2 2HT stating when the tenders are to be returned.

The intention is that tendering should be restricted to firms of proven capacity and experience who at the time will be in a position to submit genuinely competitive tenders. Contractors who because of other commitments, or for any other reason, do not apply to be considered for these works will not in any way prejudice their eligibility for consideration for future similar contracts.

This scheme has also been advertised through the medium of the Official Journal of the European Communities.

BOND DRAWINGS

CORRECTED NOTICE
CHILEAN EXTERNAL LONG TERM DEBT—LAW NO. 8962
N. M. ROTHSCHILD & SONS LIMITED
Due to an error Bond No 6247 appeared incorrectly as No 6427 in the advertisement which appeared on Friday, 22nd October, 1976.

COMPANY NOTICES

SOREC LIMITED
(Incorporated in the Republic of South Africa)
DIVIDEND DECLARATION

Notice is hereby given that dividend No. 20 at the rate of 3.25 cents (1975: 3.25) per share has been declared payable on or about 30 November 1976 to shareholders registered in the books of the company at the close of business on 12 November, 1976. This dividend together with dividend No. 19 of 3.25 cents per share make a total dividend of 6.5 cents for the 15 month period ended 30 September 1976 (year ended 30 June, 1975: 7.5 cents).

The transfer registers and registers of members will be closed from 13 November to 26 November, 1976, both dates inclusive. The dividend has been declared payable in South African currency. Dividends payable from the office of the London Transfer Secretaries will be paid in United Kingdom currency calculated at the rate of exchange ruling on or about 23 November, 1976. South African non-resident shareholders tax at an effective rate of 15 per cent, and United Kingdom income tax will be deducted from the dividends where applicable.

By order of the Board
ANGLO AMERICAN PROPERTY SERVICES (PTY) LIMITED
per M. J. Navier
Registered Office:
Life Centre,
45 Commissioner Street,
Johannesburg 2001
South Africa

Transfer Secretaries:
Consolidated Share Registrars Limited,
62, Marshall Street,
Johannesburg 2001
(P.O. Box 61051 Marshalltown 2107)
South Africa
Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street,
Ashford, Kent
TN24 8EQ
22 October 1976.

RACING — BY DOMINIC WIGAN

Mart Lane highly impressive

HOLDING GROUND on the Flat course took its toll on most of the fancied runners in the St. Simon Stakes at Newbury on Saturday, and I have seldom seen horses finishing more tired. Jolly Good, the 9—4 favourite, never appeared likely to get the final half-mile, and his many supporters knew their fate when his stamina ran out turning into the home straight, leaving Mart Lane, Roses for the Star and Illustrtrious Prince to decide the placings.

The Irish-trained Mart Lane, *who had chased home* Malacate in Leopardstown's £20,000 initial running of the Jos McGrath Memorial Stakes a month ago, was always revelling in the testing conditions and it came as no surprise when he forged clear of that luckless filly, Roses for the Star, inside the final furlong.

Mart Lane is a half-brother, by Le Levanstell, to the 1973 Irish Sweeps Derby winner, Weaver's Hall.

Trainer Seamus McGrath knows Mart Lane's family well, and it is possible to visualise this good-looking bay going on to emulate some of the feats achieved by that great McGrath horse, Levmoss, another son of Le Levanstell.

In the main jumping event of the day, the 2½-mile Hermitage Chase, the punters again came off worst when Bula, a 7—4 on chance, went down by a length to the Queen Mother's Game Spirit. Here the somewhat surprising outcome may have been decided by rather sketchy jumping by Bula at some of the earlier fences.

Game Spirit, who has achieved many notable victories on the Berkshire course, looked likely to be caught and passed as his rival loomed menacingly upsides at the final fence, but he then pulled out a little more under strong driving from Bill Smith and won on merit by a length.

Turning to to-day's sport, the two most interesting prospects seem to be *Nobody's Fool* and *Balranald*. The first-named, a much-improved son of Polyfoto, found no difficulty in following up his Newmarket victory over Zelenko when giving Qui Va La 13 lbs and a 1½-length beating in a 20-runner event at Chepstow a week ago.

NOTTINGHAM
1.30—Smithfield Lady
2.00—Maharanee
2.30—Swakara
3.00—Balranald***
3.30—Sky Jump
4.00—Piccolo Marat*

CHEPSTOW
1.45—Sosannah
4.45—Nobody's Fool**

TENNIS — BY JOHN BARRETT

All through the nights

Early this morning play began in the traditional end-of-season tennis fiesta, the Slazenger tournament, which for years has provided a subtle blend of serious and social tennis that draws players of all classes to the Palace Hotel, Torquay, in the autumn.

This year only the absence of Virginia Wade and Glynis Coles prevents the women's singles from being an unofficial national championship. Strong favourite is the local heroine Sue Barker, of Paignton, ranked No. 2 nationally, but she will be hotly challenged by almost every other British player of note.

Winnie Wooldridge, herself a former British No. 2, and last year's finalist, returns to pose some problems for a host of promising young players.

Martin Robinson, of Lancashire, and the Essex Davis Cup man *David Lloyd head a large* men's entry of 60.

With a women's entry of 36, plus heavy entries for the doubles and junior events, play on the two wooden covered courts will continue throughout at least three nights, which is part of the charm of this popular event. Not everyone can boast having played a serious singles at 4 a.m.—in pyjamas.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indicatons are not available whether dividends concerned are interims or finals. The sub-division shown below is based mainly on last year's time-table.

TO-DAY

COMPANY MEETINGS—
Armstrong Equipment, Waldorf Hotel, W.C., 12
Chaddesley Investments, 4, Chester Gate, N.W., 10
Gripperrods, Horsham, 11.30
Land Investors, Churchill Hotel, Portman Square, W., 12
Newall Machine Tool, Peterborough, 12

BOARD MEETINGS—
Finals:
Berner (Leon)
Highland Distilleries
Paterson Zochonis
Interims:
British Investment Trust
BSG International
Crossland (R. and A. G.)
Evered
London and Provincial Poster
Macdonald Martin Distilleries
Newman Industries
Outwich Investment Trust
Randalls

DIVIDEND & INTEREST PAYMENTS—
Alliance Trust 1.6p. 4pcPf. 1.4pc. 4½pc Pf. 1.4875pc. 5pcPf. 1.75pc.
Babcock and Wilcox 1.0556p
Bankers Trust New York 75 cts.
Bifurcated Engineering 1p
Blackleys 0.929p
British Investment Trust Db. 2½pc
Brown and Jackson 2p
C.P.C. International 57½ cts.
Clark (Matthew) 3.25p
Diploma Investments 2.2924p
Direct Spanish Telegraph 1p
General Electric 45 cts.
Grand Metropolitan 1.4p
Howden (Alexander) 1.25p
Macpherson (Donald) Ln. 3½pc
Manufacturers Hanover 45 cts.
Montfort (Knitting Mills) 0.875p
Second City Properties 0.682p

TO-MORROW

COMPANY MEETINGS—
Amber Day, Churchill Hotel, W., 12
Amey Roadstone, 15, Stanhope Gate, W., 12.45
Apex Properties, 243-247, Pavilion Road, Sloane Square, S.W., 12
Esperanza Trade and Transport, Winchester House E.C., 12
Picardo Engineers (1927), Kettners, Romilly Street, Soho, W., 12

BOARD MEETINGS—
Finals:
British Car Auction
British Industrial Holdings
Central Manufacturing and Trading
City and International Trust
Interims:
Amalgamated Power Engineering
Bradford Property Trust
Harrisons and Crosfield
Lankro Chemicals
Leboff (S.) (Fobel)
Minet Holdings
Tozer Kemsley and Millbourn

DIVIDEND & INTEREST PAYMENTS—
Cartwright (R.) 1p
Chigwell 6¾pcBds Red. 27/4/77 3⅜pc
County and District Properties 0.1p
Esperanza Trade and Transport 2.948p
Gripperrods 2.0384p
Islington 6¾pcBds. Red. 27/4/77 3⅜pc
Kent 9½pc Red. 78-80 4¾pc
Massey Ferguson Ln 3¾pc
Newall Machine Tool 4.875pc. 7pcPf. Ord. 7pc
Newbold and Burton 1.0725p
Oliver (G.) (Footwear) Ord. and A N V Ord. 0.53p
Peterborough 6¾pcBds. Red 27/4/77 3⅜pc
Salop 6¾pcBds. Red. 27/4/77 3⅜pc
Tamworth 6¾pcBds Red. 27/4/77 3⅜pc
Wellingborough 6¾pcBds. Red. 27/4/77 3⅜pc

WEDNESDAY, OCTOBER 27

COMPANY MEETINGS—
Associated Dairies, Leeds, 2.30
Bever Peacock, Winchester House, E.C., 12.30
Decca, Winchester House E.C., 12
F and C Eurotrust, 1-2 Laurence Pountney Hill, E.C., 12.30
Walker (James) Goldsmith and Silversmith, Century House, Streatham High Road, S.W., 12
Wood Bastow, Nottingham, 12

BOARD MEETINGS—
Finals:
BPM
Countryside Properties
Lighting and Leisure
United Real Property Trust
Interims:
Alginate Industries
Associated Industries
Associated Leisure
Ayrshire Metal Products
Boosey and Hawkes
Border Breweries (Wrexham)
BPB Industries
Continental Union Trust
Findlay (Andrew R.)
Firmin and Sons
General Scottish Trust
Gill and Duffus
Henderson (P. C.)
Hopkinsons
Spillers
Telephone Rentals
Trust Union

DIVIDEND & INTEREST PAYMENTS—
Amber Day 1.3529p
Apex Properties 1.49p
Bank of Nova Scotia 43 cts.
Berwick-upon-Tweed 12¼pcBds. Red. 27/10/76 £6.2928
Bolsover 12¼pcBds. Red. 27/10/76 £6.2928
Challenge Corp. 7½ cts.
Dundee 12¼pcBds Red. 27/10/76 £6.2928
Durham 12¼pcBds. Red. 27/10/76 £6.2928
Edinburgh 12¼pcBds. Red. 27/10/76 £6.2928
Grampian 12¼pcBds. Red. 27/10/76 £6.2928
Islington 7½pcBds Red. 27/10/76 3¾pc
Lincoln 12¼pcBds. Red 27/10/76 £6.2928
Malvern Hills 12¼pcBds. Red. 27/10/76 £6.2928
Manchester 12¼pcBds. Red. 27/10/76 £6.2928
Mole Valley 12¼pcBds. Red. 27/10/76 £6.2928
Newbury 12¼pcBds. Red. 27/10/76 £6.2928
Newham 12¼pcBds. Red. 27/10/76 £6.2928
Nurdin and Peacock 1.43p
Oxfordshire 12¼pcBds. Red. 27/10/76 £6.2928
Pother 12¼pcBds Red 27/10/76 £6.2928
Royal Dutch Petroleum Ord (Reg.) N.Fl 4.50
South Bedfordshire 12¼pcBds. Red. 27/10/76 £6.2928
Spelthorne 12¼pcBds. Red. 27/10/76 £6.2928
Stafford 12¼pcBds. Red. 27/10/76 £6.2928
Strathclyde 12¼pcBds. Red. 27/10/76 £6.2928
Tendring 12¼pcBds. Red. 27/10/76 £6.2928
Test Valley 12¼pcBds. Red. 27/10/76 £6.2928
Tonbridge and Malling 12¼pcBds. Red. 27/10/76 £6.2928
Wandsworth 12¼pcBds. Red. 27/10/76 £6.2928
Warwick 12¼pcBds. Red. 27/10/76 £6.2928
Wood Bastow 2.802p

THURSDAY, OCTOBER 28

COMPANY MEETINGS—
Centre Hotels (Cranston), West Centre Hotel, Lillie Road, S.W., 10.30
Customagic Manufacturing, Openshaw, 2.30
Excalibur Jewellery, Edgbaston, 12
Holcombe, 36, Chesham Place, S.W., 12
Hume, Winchester House, E.C., 12

BOARD MEETINGS—
Finals:
British Assets Trust
Highland Electronics
Lawrence (Walter)
McKechnie Bros.
Pearce (C. H.) and Sons (Contractors)
Transvaal Consolidated Land and Exploration
Wood Hall Trust
Interims:
Abrasives International
Dunlop
Gieves Group
Gopeng Consolidated
Greens Economisers
London Brick
Ninetec Twenty-Eight Investment Trust
Photax (London)
Press (William)
Sheepbridge Engineering
Sphere Investment Trust

DIVIDEND & INTEREST PAYMENTS—
Associated Dairies 0.4497p
Australian and Intl. Tst. 2.4p
Barnsley 11¼pcBds. Red. 4/5/77 5⅝pc
Basildon 11¼pcBds. Red. 4/5/77 5⅝pc
Beaconsfield 11¼pcBds. Red. 4/5/77 5⅝pc
Blackburn 11¼pcBds. Red. 4/5/77 5⅝pc
Brighton 11¼pcBds. Red. 4/5/77 5⅝pc
Canadian Imperial Bank of Commerce 32 cts.
Cardiff 11¼pcBds. Red. 4/5/77 5⅝pc
Chester-Le-Street 11¼pcBds. Red. 4/5/77 5⅝pc
Dickie (James) (Drop Forgings) 1.93p
Excalibur Jewellery 0.2146p
Exeter 11¼pcBds. Red. 4/5/77 5⅝pc
F. and C. Eurotrust 0.6p
Falkirk 11¼pcBds. Red. 4/5/77 5⅝pc
Gateshead 11¼pcBds. Red. 4/5/77 5⅝pc
Greater London 11¼pcBds. Red. 4/5/77 5⅝pc
Lancashire 11¼pcBds. Red. 4/5/77 5⅝pc
Leeds 11¼pcBds. Red. 4/5/77 5⅝pc
Lothian 11¼pcBds. Red. 4/5/77 5⅝pc
Malit Securities Ln. 4½pc
Merchants Trust 0.8p
Metalrax 0.44p
Midlothian 11¼pcBds. Red. 4/5/77 5⅝pc
Newham 11¼pcBds. Red. 4/5/77 5⅝pc
Northampton 11¼pcBds. Red. 4/5/77 5⅝pc
Redbridge 11¼pcBds. Red. 4/5/77 5⅝pc
Sandwell 11¼pcBds. Red. 4/5/77 5⅝pc
Saville Gordon (J.) 1.9162p
Sharpe (W. N.) Ord. and A 1.2935p
Solicitors' Law Stationery 1.43p
South Pembrokeshire 11¼pcBds. Red. 4/5/77 5⅝pc
Stewart and Wight 14.77p
Toronto-Dominion Bank 18½ cts.
Tower Hamlets 11¼pcBds. Red. 4/5/77 5⅝pc
West Glamorgan 11¼pcBds. Red. 4/5/77 5⅝pc
Windsor and Maidenhead 11¼pcBds. Red. 4/5/77 5⅝pc
Wolverhampton 11¼pcBds. Red. 4/5/77 5⅝pc

FRIDAY, OCTOBER 29

COMPANY MEETINGS—
Celtic Haven, Burton, Dyfed, 12.30
Daundl, 15 Saint Helen's Place, E.C., 12
Guinness Peat, Winchester House, E.C., 10.30
Parker Timber, Erith, 12
Rivlin (J. D. and S.), Winchester House, E.C., 2
Smith Brothers, Institute of Chartered Accountants, Moorgate Place E.C., 12.30
Southern Kinta Consolidated, 55-61, Moorgate E.C., 12
Stewart Plastics, Croydon, Surrey, 11
Tor Investment Trust, Swansea, 10.15

BOARD MEETINGS—
Finals:
Construction Holdings
Hepworth (J.)
Lowland Investment
Interims:
Craig Shipping
Menzies (John)
Sangeman (George G.)
Scottish Ontario Investment

DIVIDEND & INTEREST PAYMENTS—
Aberthaw and Bristol Channel Portland Cement 7½pcPf. 2.625pc
Acorn Securities Income 6.65p
Ash and Lacy 2.94p
Baxter Fell 2.7625p
Blackwood Hodge 6pcPf. 2.1pc
Blundell-Permoglaze 6½pcPfd. 2.275pc. Db. 3¼pcpc. Ln. 3½pc
Boulton (William) 8½pcPf. 2.7625pc
Brascan Class A Cnv. 25 cts.
Breedon and Cloud Hill Lime Works 1.5p
British Mohair Spinners 0.715p
Bruntons (Musselburgh) 2.7620p
Cavenham 2.76p
Chemring 4.9pcPf. 2.45pc
Commercial Bk. of Australia 7.5 cts. 4pcPf. 40 cts.
Copytex 0.7p
Crossley Building Products 2p
Crouch (Derek) (Contractors) 1.032p
Dow Chemical 25 cts.
Dundee and London Inv. Trust 5pcPf. 1.75pc. Db. 2½pc
Ellis and Co. (Richmond) 1.1p
Expanded Metal 1.375p
F M C 2.5p
Fairbairn Lawson 1p
Fisher (James) and Sons 1.35p
Fisons Dbs 3 and 3½pc
General Investors and Trustees 1.4p
Galoman (H.) Ln 1982 4½pc
Guinness Peat 5.2753pc
Heywood Williams Db 3pc
Haskins and Horton 1.355p
Howden Dbs 3 and 4¼pc
Hume A 2.1125p Cnv Lns. 2½ and 2½pc
Imperial Group 1.75p
Investment Trust Ln 2½pc
Jones (A. A.) and Shipman 1.5p
Keelavite Hydraulics 6½pcPf. 2.275pc
Ladbroke Ord 2.024p
Land Securities Investment Trust Dbs 3 (88-93) and 3½pc
Lead Industries 7pcPf. Ord 2.45pc
Lex Service 1.17p
Liverpool Daily Post and Echo 2.415p
London and St. Lawrence Inv. 0.247p
London Shop Property Ln 6½pc
London Trust Dbs. 1½ 2 and 2½pc
Longton Transport 2.29687p
Lonrho 1.3975p. Lns. 3¼ (85-88) and 3¼ (84-89) pc
Mackinnon of Scotland 7½pcPf. 2.625pc
Matthews 7pcPf. 2.45pc
Menzies (John) Db. 3¼pc
Miller Rayner and Hayson 10pcPf. 4pc
Myson 1.5p
N.C.R. 18 cts.
Northern Foods Ln. 3.125pc
Ocean Wilsons 2p
Pontins Db. 3¾pc. Ln. 3½pc
Quick (H. and J.) 0.509p
R K T Textiles 1.5828p
Raybeck 1.6635p
Richardson Smith (Temp. Susp. 16/8/76) 2.87p
Rivlin (J. D. and S.) 1.17p
Rolls-Royce Motors 1.65p
Scottish Investment Trust Db. 2¼pc
Second Scottish Investment Trust 5½pcPf. 2.0417pc. 6½pcAPf. 2.6542pc. Perp. Db. £1.6666. Perp.Db. £2.08333. Db. £2.08333
Sharna Ware 0.975p
Ship Mortgage Finance Db. 3pc
Southern Construction 0.4345p
Temple Bar Invest. Trust 2p
Tor Invest. Tst. Income 2.4375p. Capital 0.4225p
Trans-Oceanic Ln. 2¼pc
Transamerica 16½ cts.
Western Mining 2½ cts.
Westpool Invest. Tst. Ln. 2½pc
Wilkes (James) 1.385p
Wilson (Connolly) 1.117p

SATURDAY, OCTOBER 30

COMPANY MEETINGS—
Vincent (Harry), Halesowen, 11.30

DIVIDEND & INTEREST PAYMENTS—
Allied Manufacturing and Trading Pf. 3¼pc
Alva Investment Trust 2.4375p
Associated Electrical Db. 3pc
Aveling-Barford Db. 3¼pc
Barlow Rand Pf. 3pc
British American Tobacco 6pcPf. 2.1pc
Burmah Oil 6pc1stPf. 2.4pc. 6pc2ndPf. 2.4pc. 7¼pcPf. 2.9pc. 8pcPf. 3.2pc
Davenports Brew. 5pcPf. 1.75pc
Eastbourne 12¾pcBds. Red 3.5/78 6⅜pc
English Electric Db. 3¼pc
Grampian 1.5p
Otrex 1.15p
Portsmouth and Sunderland Newspapers 8pcPf. 3.2pc
Smith Bros. 2.5p
Texaco International Stg./Dollar Cnv. 3¼pc
Tozer Kemsley and Millbourne Ln. 4pc

SUNDAY, OCTOBER 31

DIVIDEND & INTEREST PAYMENTS—
Allied Farm Foods Db. 4pc
Allied Investments Ln. 5pc
Armour Trust Lns 5¼ and 5¼(Cnv.)pc
Bath and Portland 7¼pcPf. 3.1pc. Ln. 3½pc
Beattie (James) Db. 3¼pc
Burgess Products 6pcPf. 2.25pc
Cantors 7½pcPf. 3pc
Clarke (Matthew) 7pcPf. 2.45pc
Clutsom-Penn Intl. Dbs. 3¼ and 3¾pc
Crowther (John Edward) 5½pcPf. 1.925pc
Development Secs. 7½pcPf. 2.625pc. Db. 3½pc
Drake and Scull 7pcPf. 3.5pc
Ellis and Everard Db. 3¾pc
English Property 5¾pcPf. 2.0125pc. Db. 4¼pc. Lns. 6 and 3¼pc
Equity Consort Ln. 2½pc
Estates Property Inv. Db. 3pc. Ln. 3¼pc
F M C 4½pcPf. 1.575pc. 6pcPf. 2.1pc
Foreign and Colonial Invest. Trust Ln. 3½pc
Garton Cooper Ln. 4¼pc
Gordon Hotels 5½pcPf. 1.925pc
Grand Metropolitan Hotels (Scotland) 5pc Pf. 1.75pc
Guildhall Property 6pcPf. 2.1pc
Herbert (Alfred) Db. 3¾pc
I.T.T. Distributors Db. 3½pc
Imperial Group Lns. 3.45 3.75 4.0 and 5.25pc
Isle of Man Associated Inv. Pf. 3½pc
Jewson and Son Db. 2½pc
Johnson Matthey Db. 3¼pc
Kershaw (A.) 3.9375p. 8Pf. (12½pc) 4.375pc
Kinloch (Provision Mchts.) Ln. 4¼pc
LRC Intl. Ln. 4¼pc
Lewis and Burrows 6pcPf. 4.2pc
Lowe (Robert H.) 4½pcPf. 1.575pc. 6½pc Pf. 2.275pc
Macanie (London) Lns. 3¼ and 3¼pc
Marchwiel 7pcPf. 2.45pc
Marley Db. 3¼pc
Metal Box Overseas 5½pcPf. 1.8375pc
Metal Closures 6pcPf. 2.1pc
Mills and Allen 6½pcPf. 2.275pc
Newarthill 5.775pc (Irrdv. 8¼pc) Pf. 2.8875pc
North (James) and Sons Ln. 3½pc
Plessey Interconnect Db. 3¼pc
Radio and Allied Db. 3¼pc
Rank Organisation Ln. 3½pc
Samuel (H.) Dbs. 2¼ and 3½pc
Steinberg 5pcPf. 1.75pc
Thanet Tst. Db. 4pc
Tripleyest Income 2.025p
Truman Db. 2pc
Trust Houses Forte Dbs 6.75 (84-89) and 6.25 (85-90) pc. Ln. 9.1pc
Turner Curzon Ln. 8pc
Ultramar Ln. 3¼pc
Valor 5½pcPf. 2.625pc
Whittingham (Wm.) 7½pcPf. 3pc. Ln. 8pc

RUGBY UNION — BY PETER ROBBIN

Fylde do better when one short

WITH THE gale behind them in the first half Broughton Park established a 12-0 lead at Fylde, thanks to two penalties by O'Brien and his conversion of a perversely awarded penalty try after 31 minutes.

When O'Brien converted an opportunist try by Tony Neary immediately after the interval, Fylde faced a monumental task apparently made more difficult by the dismissal of R. Tabern 20 minutes before time. In fact his absence made Fylde hearts beat stronger.

At last they began to play coherently. It was much too late, but they added good tries from Swift and Howarth to a Fisher penalty goal. Janusz scored another Park try, one engineered by Neary, and Park won 22-11.

Park used the wind cleverly. Where they had icy calm at half-back, Fylde were all confusion. Thomason, the Park scrum-half, was electric over the ground and unerring in his kicking and passing.

Partington repeatedly kicked Fylde back until the inevitable mistakes came. The pack played well collectively, especially the back row of Neary, Wilde and Davies, who all mauled so much better.

The ball, until late on, came back in abundance. At the line-outs Park avoided Beaumont, using Neary extensively at the back. They had two very aggressive wings in Hayes and Janusz, who is reminiscent of Grant Batty.

With O'Brien behind and Bond in the centre, Park had a well-balanced attack. Bond, again superb in defence, made telling breaks but must [illegible] getting too involved i[n] mauls. He left two def[enders] gaps which would have [been] exploited by better oppo[sition]. Also, his backchat t[o an] admittedly pedantic refere[e was] to be regretted.

Fylde could never est[ablish] any bridgehead in the firs[t half] and showed severe limitati[ons in] the second. Beaumont set [a rela]tively heroic example but h[e could] not do it all. Fylde use[d ...] and Young from cleverly [con]trived short penalties but the crux of the team's pro[blems] became patent—the second [...] play was poor.

Stress

They were also wheele[d and] pushed at the scrum, so [...] operated under unmana[geable] stress. His balloon pass re[...] the death of a passing [move]ment and the static pass [...] Ward and Holdsworth kil[...]. There seemed total lack [of con]fidence not just in each [...] but between them all.

Ward once cut back [...] Fylde held a three [...] advantage outside. In th[e ...] half Swift, encouraged [...] fidiously by Fisher, c[...] attacked in a hopeless situ[ation].

The Fylde kicking i[n the] second half was also fa[r too] long. They had the kn[ack of] doing the wrong thing [at the] wrong time. With forward[s such] as Beaumont, Croasdell [and] Howarth one could only [feel] the greatest sympathy.

FINANCIAL TIMES REPORT

Monday October 25 1976

The National Theatre

The formal opening to-day Britain's National Theatre marks ...e fruition of an idea first mooted ...ell over a century ago. Housing ...ree theatres in one, the building is ...r landmark on London's South Bank.

...ood ...using ...r the ...ys

...A. Young

...S National Theatre in-... It cost approximately ... which the Greater ... Council contributed ...d the Government the ... will probably cost ...m. a year to run, of ...e Arts Council provides ... the GLC, this year. ... Seldom was money ...pent.

... programmes at the ... give a potted history ...scheme from the year ...en the first suggestion ... forward by one Effing-...son, a London publisher ...ame has no other claim ...rtality. Harley Gran-...ker and William Archer ...ore practical proposals ... published in 1903, and ...eme, amalgamated with ... scheme, to establish a ... Shakespeare Memorial ... got off the ground in ... subscription list raised ... money to make the ... seem practical: Sir ...yer, another hero other-... unsung, contributed ... for the erection of the ... This was to be opened ...6, but in 1914 more ...at matters intervened.

... scheme was not aban-... though it was kept on ... a considerable time. ... 1937 a site for the ... theatre, not yet pro-... to capital initials, was ... in South Kensington, ... the Victoria and Albert ...

... fortunate that nothing ...orward! The site is ... one acre in extent; the ... to be erected on it ... have been a very ... and there would ... no space for a car ... land were to be ... from Thurloe Square. ... is still unoccupied: it ... car park. After World ... the London County ... swopped it for a site on ... South Bank, and, although ... not the site on which ...atre has been built, it ...ore practical proposition than the old one, and the present Queen Elizabeth the Queen Mother laid a foundation-stone there in 1951, the year of the Festival of Britain.

Sir Carl's £70,000 was still in the bank, but it was realised as soon as the project was revived that at post-war prices it would not go far. In 1949, Parliament voted that £1m. should be made available, to be provided not at once, but at the decision of the Chancellor of the Exchequer of the day. Work began in November, 1969.

A National Theatre company had been formed six years before that, however. It was established in 1963 and played at the Old Vic, widely recognised as the most appropriate place (though Dame Lilian Baylis would probably have had a fit at the sight of all those dinner-jackets in her house, with seats at West End prices). Its first director was Sir Laurence Olivier (now Lord Olivier), who the previous year had had the opportunity to build up a suitable company at the Chichester Festival Theatre.

Ideal

The site that was ultimately found for the National, downstream from Waterloo Bridge, is well-nigh ideal. Sir Denys Lasdun, whose firm designed the building, enthused about its qualities in a television interview earlier this year.

"It's a marvellous bend that goes through 90 degrees, and there's the river, and Westminster Abbey is there. . . . then you have Westminster Bridge, Hungerford Bridge, Waterloo Bridge, Blackfriars Bridge, St. Paul's, Somerset House. And just in the re-entrant here the position of the theatre and these terraces which step down to the river command views—not all at once—right round from St. Paul's to Westminster Abbey. I mean, it's probably, I would say, the most beautiful site in London."

Inside Sir Denys's great concrete shell is not one theatre but three. The biggest of them is the Olivier Theatre, an open-stage auditorium with 1,160 seats. It is a lofty hall shaped in plan like a quadrant; at its focus is a drum revolving at the centre of the stage, and beneath is a complex of machinery which (when it begins to function) will enable quick scene changes to be made.

The second major theatre in the building is the Lyttelton, seating 890, a conventional proscenium theatre with provision for an orchestra pit. The third theatre is the Cottesloe, a small rectangular room in which the seating can be adjusted to suit the requirements of whatever experimental work is to be played there. Its maximum capacity will be about 400.

It is proposed that the National Theatre will use the Olivier as its principal showplace, and that the Lyttelton will be shared with visiting companies from the regions and from abroad. The Cottesloe will also be available to visiting "fringe" companies, besides giving room for experimental work to be undertaken by the National company. (The Cottesloe was not included in the original design, but the space was there, under the Olivier, and something had to be done with it. Lasdun describes it as "two galleries on three sides and a sort of bear pit of a floor.")

The "front of house" amenities are exceptionally good. There are adequate bars and buffets; the cloakroom is free—an important facility as it happens, for if you put your coat under your seat you will be interfering with the air-conditioning process; above all, there are those magnificent views from the terraces. "The front of house of both theatres," their architect has commented, "is really a viewing platform for the whole of the city of London."

Criticism has been made of the lack of amenities for people in invalid chairs; but the criticism does not survive examination; patrons unable to cope with the plethora of stairs can be wafted to the required level by lift and need only ask the attendants how to get there.

Criticism has also been levelled at the use of concrete for the building. Sir Denys Lasdun counters that criticism simply; the building as he designed it could only be made in concrete. The great cantilevers could not be done in steel or in stone. A more modest suggestion that the outside of the building should be stone-faced is met with the argument that concrete is itself a handsome material in the right context.

"I think it is a very beautiful material," Sir Denys says. "if it is used in the way that its own nature intends it to be used. The building is, I think, a very interesting form, it is asymmetrical, dynamic, sculptural—it is a sort of sculptural form that you can only do with reinforced concrete."

How will it look in 20 years' time? "Well, it's going to weather," Sir Denys forecasts, "it's going to streak and the streaks will have white patches which I think are absolutely beautiful. I want it to weather so that in the end lichen grows on it and it becomes part of the riverscape."

It is undoubtedly a handicap that the theatre and its neighbouring galleries and concert-halls should stand in such augustan isolation on the South Bank. It is generally agreed that places of entertainment should be surrounded by life. Shaftesbury Avenue, with Piccadilly Circus at the end, Soho on one side and the new Chinatown on the other, is an ideal example.

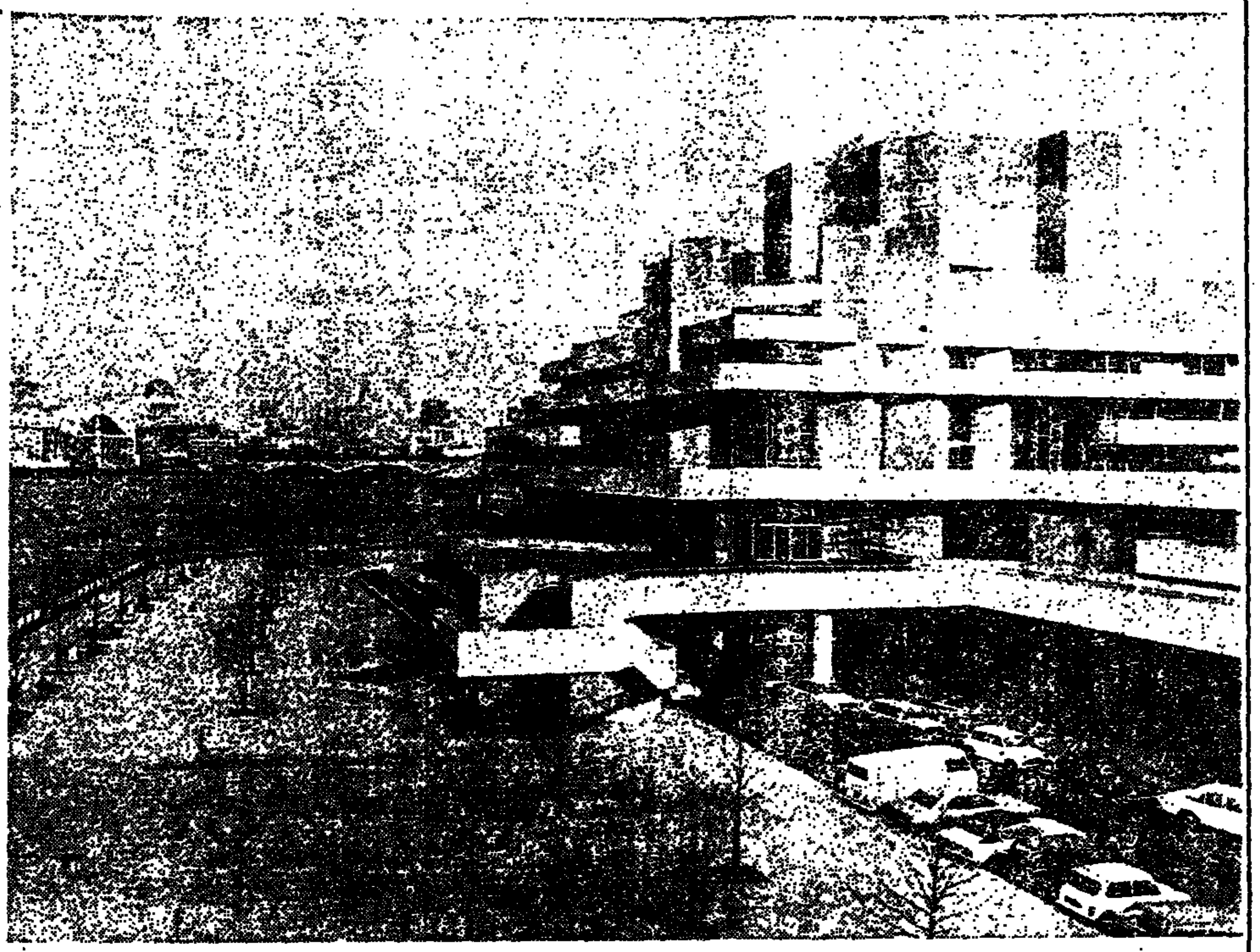
But the National has no such life around it. At one time there was a proposal to build residential buildings near by, but the plan came to nothing; there is nothing now but the cultural centre, with the Shell building upstream, the London Week-end Television offices downstream. Even the dingy hotels that used to line York Road and Stamford Street would be something: but no, the National is just a place you go to and away from as soon as the play is over.

Soften

Peter Hall, the director, has plans to soften this detachment by surrounding the building with street life; he would like to see the open spaces around the theatre filled with coffee-stalls, hot-dog stands, souvenir booths, street entertainers. He has already made a brave start by ensuring that the National building itself offers a welcome all day—with bar and buffet, entertainment in the foyer that may be anything from folk-song to chamber-music, and so forth. But the outside, for all the pleasant landscaping of the terraces, still wears an aspect of intellectual superiority.

Intellectual superiority has its merits, all the same, provided it is made approachable. The building is a superb sight from over the river, even if it is somewhat forbidding from the Upper Ground side to the south. After the aeroplane-hangar look of the Festival Hall and the Mappin Terraces untidiness of the galleries and halls downstream of it, rendered still more atrocious by the flashing neon-sign surmounting them, it was a tremendous relief to see the National Theatre building taking shape.

It is by no means finished even now. Work continues on the Cottesloe, and the stage machinery in the two big theatres is still only partly usable. When all is safely gathered in, the theatres will employ a staff of 500, plus a company of 100 or more.



The theatre and part of its sweeping riverside vista.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

Interest Due		Stock	Price £	Last xd	Yield Int.	Yield Red.
		"Shorts" (Lives up to Five Years)				
14J	14D	Treasury 10½pc 1976‡‡	99⅜	10.5	10.57	14.37
10S	10M	Treasury 6½pc 1977‡‡	97¼	4.8	6.43	13.97
15S	15M	Electric 3pc '74-77	97⅛	9.8	3.09	10.75
26M	26S	Treasury 11½pc '77‡‡	98 1/32	20.8	11.73	13.79
15M	15N	Treasury 3pc '77‡‡	94xd	11.10	3.19	9.09
20J	20D	Transport 4pc '72-77	94	14.5	14.25	9.58
15S	15M	Treasury 9pc 1978‡‡	94 1/16	9.8	9.53	13.51
14J	14Ju	Treasury 10½pc '78‡‡	95	7.6	11.05	13.80
26M	26S	Exchequer 5pc '76-78‡‡	91⅛	20.8	5.49	10.19
9S	9M	Treasury 11¼pc '78‡‡	93 11/16	3.8	12.26	14.66
9S	9M	Treas. 11½pc '79 'A'‡‡	93¼	—	12.27	14.69
17M	17S	Treasury 3pc '78‡‡	83 1/4	11.8	3.61	9.80
26M	26S	Electric 4¼pc '74-79	83⅝	20.8	5.08	10.94
1M	1N	Treasury 10½pc '79‡‡	90 1/16xd	27.9	11.64	14.64
15M	15N	Electric 3½pc '76-79	83 1/2xd	11.10	4.19	9.89
3S	3M	Treasury 9pc 1980‡‡	86 1/16	28.7	10.46	14.34
14N	14M	Treasury 9½pc '80‡‡	86 1/16xd	8.10	11.02	14.66
15D	15J	Treasury 3½pc '77-80	79½	10.5	4.40	10.40
15D	15J	Funding 5¼pc '78-80‡‡	81¼	10.5	6.46	11.71
15J	15Ja	Treasury 11½pc 1981‡‡	90⅛	8.6	12.76	14.67
15A	15F	Treasury 3½pc 1979-81	78⅛	9.7	4.48	9.83
1O	1A	Treasury 9¾pc 1981‡‡	84 1/16	25.8	11.60	14.72
		Five to Fifteen Years				
15J	15Ja	Treasury 8½pc '80-82‡‡	81¼	8.6	10.78	14.35
15F	15A	Treasury 3pc '82‡‡	70⅛	—	4.28	10.50
17S	17M	Treasury 12pc 1983‡‡	90¼	11.8	13.48	14.71
15J	15Ja	Funding 5½pc '82-84‡‡	70½	8.6	7.97	12.03
10J	10Ju	Treasury 8½pc '84-86‡‡	75¾	3.6	11.60	13.51
1N	1M	Funding 6½pc '85-87‡‡	61	27.9	10.63	13.54
26J	26Ja	Treasury 7¾pc '85-88‡‡	66	21.6	12.09	14.22
1J	1Ju	Transport 3pc '78-88	45¼	25.5	6.77	11.97
15A	15O	Treasury 5pc '86-89	48⅞	8.9	10.26	13.46
15J	15Ja	Treasury 13pc 1990‡‡	89⅛	8.6	15.21	15.59
15D	15J	Treasury 8¼ 87 90‡‡	65	10.5	13.31	14.79
5O	5A	Funding 5¾pc '87-91‡‡	48½	1.10	11.93	14.34
		Over Fifteen Years				
22J	22Ja	Treasury 12¾pc '92‡‡	85⅝	15.6	15.49	15.82
14J	14Ju	Treasury 12½pc '93‡‡	83¾	7.6	15.58	15.88
15M	15S	Funding 6pc 1993‡‡	46¼	9.8	13.16	14.87
17M	17N	Treasury 9pc '94‡‡	60 3/4xd	11.10	14.77	15.50
1M	1S	Treasury 14½pc '94‡‡	92¾	—	15.84	15.94
1N	1M	Gas 3pc '90/95	29¼xd	27.9	10.23	13.44
15M	15N	Treasury 12¾pc '95‡‡	80 3/4xd	11.10	15.72	15.94
15S	15M	Treasury 9pc '92/96‡‡	60⅞	9.8	15.03	15.62
15M	15N	Exchequer 13¼pc '96‡‡	82 7/8xd	11.10	15.84	16.03
1A	1O	Redemption 3pc 1986-96	28⅝	25.8	10.55	13.32
22J	22Ja	Treasury 13¾pc '97‡‡	86¼	15.6	15.91	16.02
1M	1S	Treasury 8¾pc 1997‡‡	58⅞	26.7	15.20	15.7.
1N	1M	Treasury 6¾pc '95-98‡‡	45 7/8xd	27.9	14.67	15.45
30M	30S	Treasury 15½pc '98‡‡	96¼	—	16.10	16.10
15J	15Ja	Treasury 9½pc 1999‡‡	64¼	8.6	15.42	15.74
14J	14Ju	Funding 3½pc '99-04	26	7.6	13.99	14.83
5A	5O	Treasury 8pc '02-06‡‡	51⅞	1.9	15.55	15.78
10M	10S	Treasury 5½pc '08-12‡‡	36½	4.8	15.35	15.47
26J	26Ja	Treasury 7¾pc '12-15‡‡	51⅜	21.6	15.67	15.69
		Undated				
1F	1A	Consols 4pc	25¾	25.6	16.11	—
1J	1D	War Loan 3½pc‡‡	24⅝	26.4	13.07	—
1A	1O	Conv. 3½pc '61 Aft	23⅞	25.8	14.80	—
5A	5O	Treasury 3pc 66 Aft	18¼	1.9	16.14	—
5JaAJu.O.		Consols 2½pc	16¼	1.9	15.51	—
1A	1O	Treasury 2½pc	15⅝	25.8	16.17	—

**INTERNATIONAL BANK

15F	15A	5pc Stock '77-82	72¾	14.7	6.95	11.60

CANADIANS

Dividends Paid	Stock	£	Last xd	Div. Gross	C'vr	Y'ld Gr's
Ma.S.J.D.	Bk. Montreal $2	12 11/16	20.7	$1.00	—	4.4
F.My.Au.N.	Bk. Nova Scot. $2	35 1/2	22.9	$1.72	—	2.8
A.Jy.O.Ja.	Bell Canada 25c	42½	9.9	$3.72	—	5.0
May Nov	Bow Valley‖	17⅝	18.5	10c	—	0.3
O.JaApJy.	Brascan‖	850p	27.9	s$1.00	—	6.7
F.MyAuN.	Can. Imp. Bk. $2	21 1/2	22.9	$1.28	—	3.5
July Jan.	Can. Pacific $5	13 11/16	22.6	84½c	—	3.5
July Jan.	Do. 4pc Deb. £100	25⅞	22.6	4%	—	15.5
J.Ap.Jy.O.	Gulf Oil Can.‖	21¼	30.7	$1.00	—	2.6
Ap.Jy.O.Ja.	Hawker Sid. Can.‖	400p	20.9	36c	—	5.1
F.MyAuN.	Hollinger $5	27	27.7	$1.80	—	3.8
Apr. Oct.	Hudson's Bay‖	13 3/16	6.9	60c	—	2.5
Jan. July	Hud. B. Oil G. $2½	27⅝	29.9	$1.60	—	3.3
Mr.Je.S.D.	Imperial Oil‖	16⅞	26.8	26.8	—	2.7
Mr. Je. S. D.	Inco	26⅝	28.7	$1.40	—	3.0
F.My.Au.N.	Int. Nat. Gas $1	800p	25.10	80c	—	5.7
Mr.Je.S.D.	Massey Ferg.‖	18⅝	9.8	$1.00	—	3.1
June Dec.	Pacific Pet. $1	21½	1.6	80c	—	2.1
—	Place Gas $1	26p	—	—	—	—
June Dec	Rio Algom	25⅜	4.6	$1.00	—	2.2
M.Je.S.D.	Royal Bk. Can. $2	23 1/16	18.10	$1.38	—	3.4
SeDeMrJu	Seagram Co. C$1	19½	24.9	80c	—	2.3
F.MyAuN.	Tor. Dom. Bk. $1	16 1/16	24.9	74c	—	2.6
J.Ap.Jy.O.	Trans. Can. Pipe $3½c	10⅝	24.9	88c	—	0.0

S.E. List Premium 36⅝% (based on $1.6044 per £)

BANKS AND HIRE PURCHASE

Dividends Paid		Stock	Price	Last xd	Div Net	C'vr	Y'ld Gr's	P/E
July	Jan.	ANZ $A1	335	3.5	tQ14.9	—	2.9	—
Apr.	July	Alexanders D. £1	150	12.7	11.67	—	12.0	—
May	Aug.	Algemene Fl.100	£91½	17.8	tQ21%	2.6	4.9	9.4
Oct.	June	Allen Harvey £1	265	6.9	25.0	—	14.5	—

BUILDING INDUSTRY—Continued

DRAPERY AND STORES—Continued

ENGINEERING—Continued

HOTELS—Continued

INDUSTRIALS (Miscel.)

ELECTRICAL AND RADIO

CHEMICALS, PLASTICS

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

ENGINEERING, MACHINE TOOLS

CINEMAS, THEATRES AND TV

BUILDING INDUSTRY, TIMBER AND ROADS

DRAPERY AND STORES

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 36⅝% (based on $US1.6485 per £)

Conversion factor 0.7389 (0.7390)

INDUSTRIALS—Continued

INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, etc.

OILS

OVERSEAS TRADERS

MINES—Continued

FAR WEST RAND

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
Feb. Aug.	Blyvoor 25	335	28.6	Q75c	1.6	14.5
Feb. Aug.	Buffels R1	540	14.6	Q125c	1.6	15.0
—	Deelkraal R0.20	90xr	—	—	—	—
Feb. Aug.	Doornfontein R1	245	28.6	Q55c	2.2	14.5
Aug. Feb.	East Drie R1	500	28.6	Q75c	1.7	9.7
—	Elandsrand Gld. 20c	145	—	—	—	—
Feb. Aug.	Elsburg R1	76	28.6	‡Q3.8c	1.0	‡
Feb. Aug.	Hartebeest R1	787	28.6	Q190c	ф	17.7
Feb. Aug.	Kloof Gold R1	330	28.6	Q47c	1.5	9.2
Feb. Aug.	Libanon R1	285	28.6	Q80c	2.0	19.2
February	Southvaal 50c	300	29.12	Q8c	1.3	1.7
Aug. Feb.	Stilfontein 50c	130	14.6	‡Q36c	2.2	‡
Aug. Feb.	Vaal Reefs 50c	850	28.6	‡Q175c	2.1	‡
Feb. Aug.	Venterspost R1	162	28.6	Q25c	3.6	10.0
Feb. Aug.	W. Drie R1	£15½	28.6	Q335c	1.5	14.0
Dec. Aug.	Western Areas R1	118	28.6	‡Q52c	1.4	‡
Feb. Aug.	Western Deep R2	615	28.6	Q147½c	1.6	‡
Feb. Aug.	Zandpan R1	134	22.6	Q31¼c	1.0	15.1

O.F.S.

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
Sept. Feb.	Free State Dev. 50c	70	9.8	Q9c	0.6	8.3
May Nov.	F.S. Geduld 50c	950	20.9	Q200c	ф	13.6
November	F.S. Saaiplaas R1	88	9.75	6c	2.6	4.4
May Oct.	Harmony 50c	200	22.3	‡Q65c	1.9	‡
Nov.	Loraine R1	74	9.75	Q6c	0.5	5.2
May Nov.	Pres. Brand 50c	750	20.9	Q170c	ф	14.7
May Nov.	Pres. Steyn 50c	465	20.9	Q45c	ф	6.3
May Nov.	St. Helena R1	975	20.9	Q170c	ф	11.3
—	Unisel	100	—	—	—	—
May Nov.	Welkom 50c	125	20.9	Q15c	ф	7.8
May Nov.	W. Holdings 50c	£12¼	20.9	Q310c	ф	16.4

FINANCE

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
Apr. Sept.	Ang. Am. Coal 50c	400xd	18.10	MQ38c	2.8	6.1
May Nov.	Ang. Amer. 10c	210xd	18.10	Q33c	1.9	10.2
Mar. Aug.	Ang. Am. Gold R1	£12½	28.6	‡Q260c	1.3	‡
Feb. Aug.	Ang-Vaal 50c	800	28.6	Q105c	ф	8.8
Jan. July	Charter Cons.	105	14.6	6.76	2.4	9.9
Nov. July	Cons. Gold Fields	117xd	18.10	7.37	ф	9.7
July May	East Rand Con. 10p	13½	22.3	1.0	‡	11.4
Mar. Sept.	Geduld Inv. R1	240	9.8	Q40c	1.5	10.8
Oct. May	Gen. Mining R2	£14	20.9	Q210c	2.1	9.7
May Sept.	Gold Fields S.A. 25c	900	23.8	Q155c	1.2	11.1
Jan. Oct.	Jo'burg Cons. R2	£13¾	6.9	Q170c	2.2	8.0
Aug. Feb.	Middle Wit 25c	195	28.6	Q35c	1.2	9.3
Mar. Oct.	Minorco SBD1.40	160	6.9	Q2c	0.7	0.7
May Sept.	New Wit 50c	80	23.8	Q18c	1.0	14.6
October	Patino NV Fls.5	£12	11.11	QC65c	0.8	3.1
July Dec.	Rand Selection 50c	360	28.6	‡Q75c	1.5	‡
Jan. July	Selection Trust	395	28.6	15.2	1.5	5.9
Aug. Mar.	Sentrust 10c	130	14.6	Q30c	1.4	14.9
Dec. July	Silvermines 2½p	31	12.7	3.0	1.6	15.4
July Jan.	Tvaal Cons. Ld. R1	950	1.6	Q65c	2.0	4.4
Mar. Sept.	U.C. Invest R1	140	9.8	‡Q36c	1.0	‡
May Nov.	Union Corpn. 6.25c	245	20.9	†Q36c	1.4	9.5
Sept. Mar.	Vogels 2½c	65	23.2	†Q6½c	1.2	6.5

DIAMOND AND PLATINUM

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
Nov. May	Anglo-Am. Inv. 50c	£20	20.9	†Q244c	1.6	7.9
Apr. July	Bishopsgate Plt. 10c	79	6.9	Q8.0c	ф	6.6
May Nov.	De Beers Df. 5c	191	20.9	Q28c	2.2	9.5
Jan. Aug.	Do. 40pc Pf. R5	900	1.6	Q200c	128.0	14.4
Nov. May	Lydenburg 12½c	68xd	18.10	Q7.2c	ф	6.8
Nov. May	Rus. Plat. 10c	95xd	18.10	gQ5c	—	3.4

CENTRAL AFRICAN

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
Nov. May	Coronation 25c	66	20.9	‡Q34c	2.1	‡
Nov. May	Falcon Rh.50c	95	20.9	Q35c	ф	—
March	Rhod'n Corp 16⅔p	15	8.3	0.56	6.0	5.4
J. M.Ju. O.	Roan Cons. K4	133	12.74	—	—	—
Nov. July	Tanganyika 50p	158	14.6	Q10.0	0.8	6.3
Jan. July	Do. Pref. 80p	70	28.6	Q9	10.2	19.7
Nov. June	Wankie Col. Rh 1	43	4.10	Q7½c	ф	11.3
An. N. Ag.	Zam Cpr SBD0.24	18	11.74	—	—	—

AUSTRALIAN

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
—	Acmex 25c	22	—	—	—	—
May Nov.	A. M. and S. 50c	258	15.3	ф†Q7c	ф	1.8
Nov. Apr.	Bougainville 50c	111	15.3	Q10c	ф	5.9
—	BH South 50c	144	9.74	—	—	—
—	G.M. Kalgoorlie $1	20	6.67	—	—	—
September	Hampton Areas 5p	84	26.7	1.3	3.1	2.4
—	Metals Ex. 50c	46	—	—	—	—
—	Metramar 20c	16	—	—	—	—
Oct. Apr.	M.I.M. Hldgs. 50c	212	4.10	Q4½c	ф	1.4
—	Mount Lyell 25c	40	—	—	—	—
—	Newmetal 10c	2½	—	—	—	—
June Nov.	North B. Hill $1	193xd	18.10	Q9c	ф	3.0
—	Nth. Kalgurli	7	—	—	—	—
June Nov.	Oakbridge $A1	103	26.4	Q9c	ф	5.7
—	Pacific Copper 25c	20	—	—	—	—
—	Pancont'l 25c	£10¼	—	—	—	—
—	Paringa M&Ex.5p	11	—	—	—	—
Apr. Oct.	Peko-Wallsend 50c	490	22.3	Q15c	ф	2.0
—	Poseidon 20c	75#	—	—	—	—
—	Vultan Min. 50c	9	—	—	—	—
—	Westmex 10c	6	—	—	—	—
Oct. May	Westn. Mining 50c	150	20.9	Q5c	ф	2.1
—	Whim Creek 20c	60	—	—	—	—

TINS

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
Nov. Apr.	Amal. Nigeria	31	9.2	5.62	1.6	27.9
Apr. Oct.	Ayer Hitam	310	26.7	23.0	ф	11.4
July Dec.	Beralt Tin	26½	12.7	1.75	2.8	10.2
Jan. July	Berjuntai $M25	385	23.12	Q$M1.5	ф	8.2
Oct. July	Ex Lands 10p	12	28.6	1.0	1.7	12.8
Apr. Oct.	Geevor	220	6.9	5.0	ф	3.5
—	Gold & Base 12½p	9	10.74	—	—	—
June Dec.	Gopeng Cons.	220	3.5	†11.0	1.3	7.9
—	Hongkong	75	11.67	—	—	—
Sept. Mar.	Idris 10p	63	26.7	7.15	1.5	18.3
—	Jantar 12½p	6	4.67	—	—	—
Dec. Apr.	Kamunting 15p	38	20.10	‡7.0	1.2	‡
July Dec.	Killinghall	255	5.8	Q50.0	1.2	19.6
Dec. June	Malay Dredging	220	3.5	10.7	2.0	7.5
June Dec.	ΔPahang	27#	9.75	‡Q...2.6	ф	‡
July Jan.	Pengkalen 10p	50	3.5	‡7.0	1.5	‡
—	Petaling $M1	130	6.9	Q12½c	—	2.2
Jan. July	Saint Piran	34	23.8	1.25	2.5	5.7
Apr. Nov.	South Kinta (10p)	75	4.10	7.5	0.6	15.4
June Dec.	Sthn. Malayan	180	3.5	10.7	0.9	9.2
July Dec.	Sungei Besi 20p	40	6.75	—	—	—
—	Sungei Way $M1	42	9.74	ZQ10	—	5.4
Sept. July	Tanjong 15p	40	26.7	4.64	0.9	17.8
Sept. Mar.	Tongkah Hrbr. $M1	40	31.1	‡Q23%	0.6	‡
Apr. Oct.	Tronoh	95	26.7	†4.29	2.0	6.9

COPPER

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
—	Botswana RST R2	40	—	—	—	—
June Dec.	Messina R0.50	160	1.6	†Q35c	1.9	14.2

MISCELLANEOUS

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
July	Burma Mines 17½p	8½	5.75	0.1	ф	2.0
—	Charterhall 5p	18½	6.9	—	—	—
Aug. Feb.	Cons. Murch. 10c	570	28.6	†Q80c	1.8	9.1
July	Northgate C$1	295	3.75	—	—	—
Jan. June	R.T.Z.	141	3.5	g5.96	2.1	6.6
—	Sabina Inds. C$1	77	—	—	—	—
—	Tara Explrn. $1	£12¼	—	—	—	—
Nov. July	Tehidy Minerals 10p	38	4.10	†h1.08	ф	4.4
—	Yukon Cons. C$1	114	11.65	—	—	—

RUBBERS AND SISALS

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
August	Anglo-Indones'n	33	12.7	1.25	2.9	5.8
Sept.	Bertam Cons. 10p	40	23.8	1.77	2.1	6.8
—	Bird (Africa)	8	7.64	—	—	—
August	Bradwall 10p	65	1.6	2.21	1.3	5.2
July Feb.	Castlefield 10p	82	28.6	†2.06	3.2	3.9
November	Chersonese 10p	23	4.10	†1.13	1.4	7.5
May Dec.	Cons. Plants 10p	76xd	18.10	Q8.0	ф	10.5
—	Gadek Malay 10p	32	—	—	—	—
May Dec.	Golden Hope 10p	76½	3.5	†1.97	3.5	4.0
December	Grand Central 10p	7	1.12	0.5	1.7	11.8
Apr. July	Guthrie £1	148	14.6	6.5	0.7	6.8
Feb. July	Highlands M50c	40½	17.5	‡1.45	1.1	‡
Apr. Sept.	Kuala Kepong M$1	37	4.10	†Q10c	1.2	6.1
Jan. July	Kulim 50c	26½	28.6	†Q23%	0.8	9.8
Jan. June	Ldn. Asiatic 10p	68½	17.5	2.3	2.3	5.2
October	Ldn. Sumatra	40½	9.8	1.21	2.7	4.6
—	Malakoff M$1	34	—	—	—	—
May Nov.	Malayalam 10p	9⅛	5.4	1.46	ф	25.7
November	Muar River 10p	47½	18.75	1.41	1.7	4.6
Nov. May	Padang 10p	64	4.10	†2.23	1.5	5.4
Feb. Aug.	Plantation Hldgs. 10p	32½	1.6	†1.77	1.5	8.8
March	Sungei Krian £1	£9	8.3	32.31	1.7	5.5

TEAS

India and Bangladesh

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
December	Assam Dooars £1	115	4.10	8.51	ф	11.4
January	Assam Frontier £1	144	17.11	7.15	4.2	7.6
Sept.	Assam Invs. £1	45	9.8	3.3	3.0	11.3
May Dec.	British Indian £1	160	5.4	5.0	2.0	4.8
—	Empire Plants 10p	5	12.12	0.65	2.3	22.2
November	Jokai £1	130	17.11	7.15	4.6	8.5
January	Longbourne £1	87	2.12	3.5	6.5	6.2
January	McLeod Russell £1	118	4.10	6.46	3.9	8.4
Apr. Dec.	Moran £1	120	20.4	†5.76	6.1	7.4
January	Singlo Hldgs. 10p	7½	12.12	0.78	1.8	18.5
Apr. July	Warren Plants	85	14.6	†7.8	3.1	14.1
September	Williamson £1	70	23.8	4.95	3.1	10.9

Sri Lanka

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
July	Lunuva £1	52	6.9	3.25	0.9	9.6

Africa

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
May Nov.	Bandanga Hldgs.	35	4.10	g3.48	1.9	15.3
July	Blantyre £1	185	28.6	15.27	1.7	12.7
Apr. Jan.	Ruo Estates	46	5.4	4.22	ф	14.1

MINES

CENTRAL RAND

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
Aug. Feb.	Durban Deep R1	225	6.75	‡Q20c	5.5	‡
Aug. Feb.	East Rand Prp. R1	215	28.6	‡Q35c	5.1	‡
August	Randfont'n Est. R2	£18¾	28.6	ZQ100c	—	3.5
Aug. Feb.	West Rand R1	135	14.6	Q10c	2.2	4.8

EASTERN RAND

Dividends Paid	Stock	Price	Last xd	Div Net	Cvr	Y'ld Gr's
May Nov.	Bracken R1	84	20.9	Q25c	ф	19.3
—	East Daggs R1	8	12.74	—	—	—
—	Govmnt. Areas 5c	140#	—	—	—	—
Aug. Feb.	Grootvlei 30c	75	28.6	‡Q20c	1.5	‡
May Nov.	Kinross R1	175	20.9	Q32c	ф	11.8
May Nov.	Leslie 70c	33	5.4	Q9c	ф	17.6
Aug. Feb.	Marievale R0.50	75	28.6	‡Q42c	1.4	‡
Aug. Feb.	S. African Ld. 35c	44	28.6	‡Q30c	2.0	‡
Aug. Feb.	Vlakfontein R1	42	28.6	‡Q20c	1.2	‡
May Nov.	Winkelhaak R0	490	20.9	Q76c	ф	11.4
—	Wit. Nigel 25c	20	8.74	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. They are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- • Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ф Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ·· Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend: cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1978-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1978. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

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FINANCIAL TIMES
Monday, October 25 1976

It's time to bury past —Spain's Deputy Premier

BY ROGER MATTHEWS

MADRID, Oct. 24.

A STATEMENT issued here this week-end recognises that many of Spain's problems are the direct inheritance of the Franco era and promises talks with anyone with whom a dialogue is possible.

The statement made by Lt. Gen. Gutierrez Mellado, Spanish Deputy Premier, in an interview with the national news agency, was remarkable almost as much for its style as for its content.

It confirms that Gen. Mellado, who only took office a month ago, is one of the more liberal elements in the armed forces and Government.

His words contrast sharply with recent attitudes taken by other senior military officers and Gen. Gutierrez Mellado stressed that disciplinary procedures announced against the former Deputy Premier, Lt. Gen. de Santiago, and Lt. Gen. Iniesa Cano, former head of the Guardia Civil, were going ahead.

Civil War

While stating he was not going to ask anyone's pardon for the military victory in the Civil War, Gen. Gutierrez Mellado said that this did not mean "that our then opponents who fought cleanly on the battlefields in defence of their ideals, do not also merit our understanding and our respect."

There should be respect for the personal memory of Gen. Franco, but this did not rule out constructive criticism of the defects of the past administration.

Many of the problems now facing the Government, some inherited from a very long time ago, had their origins in serious initial errors.

It woul be suicidal to start again from zero by throwing overboard everything valuable that had been achieved.

Dialogue

Although it was not easy to heal the wounds of the Civil War, Spain had now to look to fresh horizons with the army at the service of all citizens—not of any groups however large they may be.

"It does not matter to me if I am described as a liberal if that means that I can admit that I am not always right, I want to talk to everyone who is capable of dialogue and I do not want any more fratricidal fights."

Extremist minorities were particularly warned against taking actions designed to obstruct political progress and attempting to turn funerals into demonstrations.

On Saturday, more than 200 extreme Right-wingers shouted abuse at Government Ministers as they left a Madrid church after the funeral service for a former speaker of the Cortes.

Freedom

An eleventh-hour meeting of six Left-wing and centrist groupings finally agreed yesterday on a common platform for negotiations with the regime.

The terms set include freedom for all political parties, a new wide-based Government leading to election of a constituent assembly, a total amnesty for political prisoners, full rights to hold meetings, demonstrations and strikes, and the abolition of all the laws and institutions of the Franco era.

The manifesto, which was signed by an extensive range of national and regional parties, emphasises again the gulf that exists between the opposition and the Government, in spite of the rather more sympathetic approach of the deputy Prime Minister.

MPs to question public spending

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE ALL-PARTY Commons Expenditure Committee is to question the Treasury this week on two new memoranda it has prepared—on the planning and control of public spending, and on the treatment of debt interest.

Mr. Leo Pliatzky, the Second Permanent Secretary in charge of the public sector side, is to appear as the main Treasury witness on Wednesday afternoon.

There is likely to be particular interest in his views since it will be the first time he has appeared before the Committee for several years, and hence also the first time since he took on his present job.

The main Paper is likely to cover the marked change of emphasis in the last two years in the Treasury's thinking on and approach to the control of expenditure which has not yet been publicly set out.

Mr. Michael English, the Labour MP for Nottingham West and chairman of the general sub-committee of the Expenditure Committee, has confirmed that the Treasury had also submitted proposals on the format of the annual Public Expenditure White Paper, covering the treatment both of nationalised industries and debt interest.

Consultation with the sub-committee on this topic was foreshadowed by Mr. Denis Healey, the Chancellor, in his July economic statement.

The main proposed change would be to exclude from the published total of public expenditure that part of nationalised industries' capital investment coming from internally generated finance, thus including only actual borrowing from Central Government via the National Loans Fund or from the market, such as from abroad under the exchange cover scheme.

Promise

The effect of these changes in format might be to reduce the published share of public spending in Gross Domestic Product at a stroke from about 60 per cent. to 55 per cent.

While this is apparently only a presentational change, it ties in with the Chancellor's stated desire to bring the published format in the U.K., both on this topic and on public sector borrowing as a whole, more into line with the practice of other countries.

The Treasury has been consulting the sub-committee to an increasing extent in the last few years about what should be included in the annual White Paper after various recommendations in the sub-committee's reports.

It has not yet, however, taken up—and has only promised further study on—a suggestion that revenue projections should be included alongside spending forecasts in the White Paper.

Apart from these presentational matters, the presence of Mr. Pliatzky and the preparation of the paper on planning and control could clearly raise wider topics.

At the time of the public spending statement in July, senior officials were stressing how money controls had been strengthened, as shown by the greater importance of the contingency reserve and the introduction of cash limits.

The meeting with the Treasury this Wednesday is likely to be simply a one-off session since the sub-committee is engaged on a lengthy continuing inquiry into the Civil Service with only occasional sessions on immediate expenditure issues.

Observer 'is profitable and not facing closure'

BY STUART FLEMING AND MICHAEL THOMPSON-NOEL

THE OBSERVER newspaper, in need of medium-term finance, said yesterday that it was under no threat of closure, was trading profitably, and that advertising bookings were ahead of the same period last year.

An editorial said, however, that this was "the right moment to seek wider financial support to help us to meet the economic challenge that lies ahead for all businesses in this country."

Questioned yesterday about the apparent change of heart in some quarters in London concerning his possible involvement in the management of the Observer, Mr. Rupert Murdoch, chairman of News International, said: "I do not want this to raise any false hopes."

Mr. Murdoch, speaking from his country home in up-state New York, made it clear that he did not wish to give encouragement to thoughts that he was still interested in the Observer, or ready to change his mind.

In London, Mr. Eric Moonman, MP, chairman of the Labour Party's newspaper group, said he would meet Observer representatives at the Commons to-day to try to clarify the dilemma which had emerged.

He said that a Murdoch-Observer link-up was still the most likely answer to the newspaper's problems, despite Mr. Murdoch's withdrawal last week.

Mr. Moonman, who is sponsored by the National Graphical Association, said such a deal made technical sense for both parties. News International's Sun daily badly needed extra production outlets for six nights of the week, when the Observer's presses stood idle.

Sources close to Mr. Murdoch, however, leave no dobut about the bitterness he felt about the initial hostile reactions which news of his talks with Observer staff stirred up, casting him — as they saw it — in the role of Public Enemy No. 1 in the situation.

This reaction alone, especially to the extent that it was reflected among members of the Observer's editorial staff, must now represent some barrier to any change of mind on Mr. Murdoch's part.

'Corruption' hearings likely to be private

BY RICHARD EVANS, LOBBY EDITOR

A DECISION on the powers and terms of reference of the Select Committee to consider allegations of corruption against MPs linked with the jailed architect John Poulson is expected to be completed by Ministers this week.

Mr. Merlyn Rees, Home Secretary and the Minister in charge of Commons affairs during the absence through illness of Mr. Michael Foot, will have talks to-day with Mr. Sam Silkin, Attorney General, before the Cabinet discusses the sensitive issue to-morrow.

There will then be consultations between Ministers and Mrs. Margaret Thatcher, Conservative leader, and Mr. David Steel, leader of the Liberals, before the membership of the committee is announced at the end of the week.

The Government is certain to face demands for the committee to sit in public, but it seemed certain last night that the evidence would be taken in private by a small, high-powered all-party group of MPs.

The Select Committee will be asked to complete its inquiries as rapidly as possible to prevent further damaging speculation.

MPs will want to know why no action was taken by the authorities on the letter allegedly sent by Mr. John Cordle, Conservative MP for Bournemouth East, to Poulson in March last year.

The letter, which is said to have been in the hands of the authorities for some time was published by the Observer yesterday.

The latest aspect of the Poulson affair has flared up because of the claim that MPs cannot be charged with bribery or corruption in respect of their Parliamentary duties. Pressure for an inquiry persuaded Mr. Callaghan to set up the Select Committee.

Mr. Cordle, who has issued writs against the Observer and its editor after reports connecting him with Poulson's business activities, yesterday wrote to Mr. Callaghan asking for help in clearing his name.

He said that his relationship with Poulson was "totally innocent of any element of corrupt practice."

He welcomed the decision to set up a Parliamentary Committee to inquire into allegations of corruption by certain members of the Commons and said that this would allow him a speedy and effective way of vindicating his name and reputation.

Mr. Cordle asked the Premier to ensure that he was allowed every reasonable facility.

Both the chairman and the agent in Mr. Cordle's constituency have issued statements declaring support for the MP and the conviction that he will clear himself of any criticism.

'Special police' call on muggings

AN MP yesterday called on Mr. Merlyn Rees, Home Secretary, to launch a recruitment campaign for special constables to combat increasing violence and mugging in cities.

Mr. Walter Johnson (Lab., Dery South), who is to table a Commons motion, said detection was the best deterrent.

Clash likely over Lords

By Richard Evans, Lobby Editor

THE GOVERNMENT is to prepare this week for a confrontation with the Lords in an attempt to ensure that five important Bills reach the Statute Book by the end of the session.

In spite of an increasingly virulent war of words, accompanied by threats to abolish the Upper House, all the indications last night were that the Lords intended to stand firm on its demand for adequate time to scrutinise Commons legislation.

This means there is virtually no chance of all the Bills getting through both Houses before the new session is scheduled to open on November 17, and some difficult decisions will have to be taken by the Cabinet.

The Prime Minister is understood to be in favour of postponing the new session because he considers the five Bills still in the Lords to be necessary for the maintenance of the social contract with the unions.

He is well aware that to drop controversial legisation because of the opposition from the Lords would subject him to furious criticism from his own Left wing.

Timetable

Mr. Merlyn Rees, Home Secretary and the Minister responsible for Commons business in the absence through illness of Mr. Michael Foot, spent the week-end reviewing the critical state of the Government's timetable.

He will report to Mr. Callaghan before to-morrow's Cabinet when a decision could be taken on whether to postpone the new session by up to two weeks.

The Prime Minister could inform the Queen of the change at his weekly audience to-morrow.

But even if the State opening is postponed, Conservative leaders are insisting that important aspects of some of the Bills will still be opposed in spite of the warning made by Mr. Eric Varley, Industry Secretary, at the week-end that further mutilation of Bills would produce a "grave situation."

The measure that Tories would like to see abandoned because of lack of time is the one phasing out pay beds in National Health Service hospitals.

This is the least advanced of the five contentious Bills—the others are the Education Bill extending comprehensive schemes, the Aircraft and Shipbuilding Industries Bill, the Dock Work Regulation Bill, and the measure abolishing tied cottages for agricultural workers.

Uncertain

The Lords now realise they have the Government over a barrel, for every day the session is extended beyond November 17 means the curtailment of vital legislative time next session which will be dominated by the huge Devolution Bill, already imperilled by threats of backbench rebelllion.

However loud the threats, there is little prospect of action being taken next session to curtail the power of the Lords, both because of the lack of Parliamentary time and the Government's uncertain overall majority in the Commons.

Mr. Varley's week-end warnings to the Lords that unless they drew back from the threatened confrontation there would be "only one outcome," was echoed yesterday by several Labour back-benchers who urged Ministers to reduce the powers of the Lords.

Continued from Page 1

Inflation accounts

should be taken into company accounts in calculating the surplus for the year, which can be relied on to provoke most debate.

The Sandilands Report said that company accounts should only take account of price changes in non-monetary items—ED 18 will take monetary gains/stocks and fixed assets—but losses into account as part of the "Transfer to Capital Maintenance Reserve," together with holding gains which arise simply where companies hold assets.

The accountants' exposure draft will leave the monetary adjustment to the discretion of the directors, but Boards will have to explain to shareholders in cases where company accounts do not contain the adjustment.

The accountants are believed to favour a two-year period of parallel running for the old and new systems, but some Government agencies such as the Government Statistical Office, want at least five years.

Concession

The exposure draft will make no concession to the powerful Government contractors' lobby which has been pressing for unpaid work-in-progress to be treated in the same way as ordinary work-in-progress.

This would have given them a more favourable basis for calculating the costs of long-term contracts and could lead to higher prices being negotiated with the Government.

The Statistical Office is expected to publish a series of new "machine-type" indices for the revaluation of fixed assets before the end of the year. The accountants prefer these to those by "industry-type" previously published by the statistical office.

Editorial comment, Page 14

THE LEX COLUMN

Arithmetic of a squeeze

The Governer of the Bank of England, Mr. Gordon Richardson, stoutly defended the City's financial institutions against criticisms that they have let down British industry, in his speech at the Mansion House last Thursday. He pointed out that the capital market has raised some £1.75bn. of new equity in the past 18 months, and that banks have readily provided additional facilities, increasingly in the form of medium-term credit.

But after the extreme monetary measures of the past few weeks his words had a hollow ring. The monetary strait-jacket now being lashed round the economy is such that it will be extremely embarrassing to the Government if the stock market continues to raise new capital for industry on anything like the recent scale. The whole point of recent rises in long bond yields is to depress other markets—like the equity market—and channel the resources of the investment institutions into gilt-edged.

And if the banks try to honour more than a small proportion of the commitments they have entered into with industry the authorities will have to act swiftly to stop any such trend—either directly through ceilings or "corsets," or indirectly through still, further rises in the cost of credit.

The rise of some £1.8bn. in bank lending to the U.K. private sector in sterling during the first-half of the financial year was not, if viewed objectively, very alarming; with inflation running at about 14 per cent. the real level of advances was unchanged. From now on, however, the Government will be seeking to squeeze lending in real terms.

Both the Chancellor and the Governor have reaffirmed the 12 per cent. limit on growth of M3 in the current financial year. After the excesses of the first half-year, this means M3 can only grow by about £1bn. in the second six months. But the Government has to finance a public sector borrowing requirement of £5bn., perhaps more, in this period.

If the authorities were to repeat the splendid performance in sales of public sector debt to non-banks in the second half of 1975-76, at just over £3bn., and were to obtain overseas finance in line with the current balance of payments deficit, there would be no room for domestic bank lending to rise at all.

Probably the Government is more ambitious on both borrowing counts. But whatever figure the Bank of England has pencilled in for permissible expansion in borrowing by the private sector, it must be very small. For comparison, the interest charges incurred by borrowers in the six months could well be of the order of £2bn.

In the short run, there could be some froth to be shaken out of the banking figures. Although the company sector borrowed £820m. from banks in sterling in the second calendar quarter, it also increased holdings of liquid assets by £758m. It would be surprising if companies were not taking the precaution of drawing down more of their facilities. But the rise in liquidity in April-June also reflected receipts of £433m. from capital issues, which since then have sharply tailed off.

Looking towards the next financial year, only a large reduction in the currently projected PSBR of around £9bn. could moderate the squeeze. The City is expecting a target for M3 of 10 per cent. for 1977-78, so that, with no fiscal changes, gilt sales would have to mop up some £4.5m. out of maybe £6bn. available for investment by the insurance companies and pension funds even to allow bank lending to rise as little as £2bn.

Common sense says it will not happen quite like this. But, as the official projections now stand, companies will be virtually cut off from the capital markets and will have to depend almost entirely on their own resources.

Yearling bonds

The local authority yearling bond market is normally a bit of a backwater but it has been seeing plenty of action over the past two weeks.

Last week's £18.75m. issue was reportedly oversubscribed more than three times despite a rate pitched ¼ per cent. lower than the week before, and a hardening in competing money market rates. In the secondary market investors have been hunting down bonds and the registrars had one of their busiest weeks ever.

Part of the explanation has to do with the special nature of the yearling bond market itself. It is almost the only place where the small investor can earn a rate of interest close to going money market rates. Unlike certificates of deposit and treasury bills, one only needs a minimum of £1,000 to pla[y the] game.

Whereas interest rate[s on] traditional investment m[edia] such as building society sh[ares] have been slow to react t[o the] two recent sharp jumps in money market rates have far more responsive. At start of the year the gross building society share rate half a point higher than rate on yearling bonds, b[ut] early October it was 3½ [points] less attractive and even [after] the latest rise in bui[lding] society rates it is still points worse. In additio[n] these competitive advan[tages] some local authorities ba[lked] at paying 14¾ per cent October 13 and cancelled of their weekly issue, only aggravated the shorta[ge of] bonds.

In the past few week[s] money market rates have hardening, the normally tive yield differential in f[avour] of yearling bonds [over] Treasury bills and CDs been wiped out. In early [Sep]tember three-month CDs Treasury bills were yie[lding] almost a full point less yearling bonds. But by the of last week's issue of yea[rling] bonds, three-month CDs Treasury bills were yieldi[ng] ¼ to ½ of a point better. N[one]theless the enthusiasm investors for yearling b[onds] continues unabated.

There is roughly £1bn. of negotiable local auth[ority] bonds in existence (the bu[...] them "yearlings"). The [dis]count houses tend to be buyers and companies, buil[ding] societies and trustee sa[vings] banks are also active. How[ever] much of the interest sl[...] lately has been by pr[ivate] investors for tax reasons.

Gross interest on yea[rling] bonds accrues separately, s[o an] investor can buy bonds a[t the] weekly placing and then them immediately prior to first or second dividend [pay]ment. Since the interest been roled up into the [price] this can result in a ca[pital] profit which may be used to set losses (in the equity ma[rket] for example) though [dis]cretionary brokerage charge perhaps £5.£6 per £1,000 re[duce] the benefit somewhat. For [high] tax payers, the possibility paying capital gains tax of per cent. as opposed to rate up to 98 per cent. on unear[ned] income is very appealing, there is a risk that this seem a bit too much like "b[ond] washing" to the tax inspect[or].

Weather

U.K. TO-DAY

SUNNY intervals and showers, but with outbreaks of rain in the South.

London, S. and Cent. N. England, Channel Is., S. Wales

Rather cloudy with occasional rain, but some bright intervals. Wind E., moderate. Max. 13C (55F).

E. Anglia, Midlands, E. and N. England, N. Wales, Lakes, I. of Man, Borders, Edinburgh, Dundee, Aberdeen, S.W. and N.E. Scotland, Glasgow, Cent. Highlands, Moray Firth, N. Ireland

Sunny intervals and showers. Wind light and variable. Max. 12C (54F).

Argyll, N.W. Scotland, Orkney and Shetland

Showers and sunny periods. Wind S., becoming variable, light. Max. 11C (52F).

Outlook: Remaining unsettled with showers or longer periods of rain.

Lighting-up: London 17.17, Manchester 17.21, Glasgow 17.23, Belfast 17.33.

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Mid-day Y'day	°C	°F
Alexandria	R	20	68	Madrid	R	8	46
Amsterdm	F	13	55	Manchster	S	12	54
Athens	C	14	57	Melbourne	C	14	57
Barcelona	S	15	59	Milan	S	10	50
Belfast	S	11	52	Montreal	C	3	38
Belgrade	S	12	54	Moscow	F	0	32
Berlin	F	10	50	Munich	Fg	6	43
Brmghm	S	11	52	Newcastle	S	11	52
Bristol	C	11	52	New York	C	12	54
Brussels	C	11	52	Oslo	C	8	46
B. Aires	C	18	64	Paris	C	10	50
Cairo	C	25	77	Perth	S	21	70
Cardiff	C	9	48	Prague	C	5	41
Cologne	F	13	55	Reykjavik	C	6	43
Copenhagn	C	10	50	Rio de J'o	S	30	86
Dublin	S	12	54	Rome	S	21	70
Edinburgh	S	12	54	Singapore	S	28	82
Frankfurt	C	12	54	Stockholm	C	8	48
Geneva	C	12	54	Strasbourg	C	13	55
Glasgow	F	11	52	Sydney	S	23	73
Helsinki	C	5	41	Tehran	S	19	66
Hong Kng	C	29	84	Tel Aviv	S	26	79
Jo'burg	S	26	79	Tokyo	R	17	63
Lisbon	F	15	59	Toronto	R	5	41
London	C	13	55	Vienna	F	9	48
Luxemb'g	C	12	54	Warsaw	S	9	48
				Zurich	C	9	48

HOLIDAY RESORTS

	Mid-day Y'day	°C	°F		Mid-day Y'day	°C	°F
Ajaccio	C	21	70	Istanbul	R	10	50
Algiers	C	21	70	Jersey	C	9	48
Biarritz	C	15	59	Las Palms	F	23	73
Blackpool	S	12	54	Locarno	C	11	52
Bordeaux	C	12	54	Majorca	R	18	64
Boulogne	C	11	52	Malaga	R	15	59
Casablnca	R	20	68	Malta	S	22	72
Cape Tn.	C	20	68	Nairobi	S	24	76
Corfu	S	20	68	Naples	F	18	64
Dubrovnik	F	19	66	Nice	R	11	52
Faro	F	17	63	Nicosia	C	23	73
Florence	F	18	64	Rhodes	S	22	72
Funchal	F	22	72	Salzburg	C	11	52
Gibraltar	C	16	61	Tangier	R	16	61
Guernsey	C	10	50	Tenerife	S	18	64
Innsbruck	C	12	54	Tunis	F	23	73
Inverness	F	8	46	Valencia	S	17	63
I. of Man	F	11	52	Venice	F	12	54

S—Sunny, F—Fair, C—Cloudy, R—Rain, Fg—Fog

Ford and Carter step up fight to win over 'Don't knows'

BY DAVID BELL

WASHINGTON, Oct. 24.

WITH LITTLE more than a week before the U.S. Presidential election, both main candidates have embarked on one final burst of campaigning aimed above all at the large number of voters who have not yet made up their minds.

President Ford was campaigning in Califonia to-day where a poll shows him only just ahead of Mr. Jimmy Carter, the Democrat candidate.

The President's staff have prepared a $4m. "media blitz" in the ten biggest States which Mr. Ford knows he must carry if he is to win the election.

He will be campaigning in all of them in the next week and in parts of the South where the Ford staff claim Mr. Carter's southern base is eroding.

Meanwhile, Mr. Carter was at home in Georgia encouraged by the result of Friday's televised debate with Mr. Ford, which appears to have been a narrow victory for himself, and by two New York polls which give him a commanding 9 per cent. lead in the State.

This morning, the New York Times also endorsed him, praising his "humanitarian socially oriented and essentially liberal approach to most of the important questions of domestic and foreign policy."

Setback

New York's other morning newspaper, the News, came out for Mr. Ford, as did the Chicago Tribune and among others, seven papers in Mr. Carter's native Georgia.

The President appears to have suffered something of a setback in California where he had been hoping that Mr. Ronald Reagan would appear on a half-hour telecast with him this evening.

However, Mr. Reagan, a former governor of the State, said that he had a "former engagement" and such a public rebuff to Mr. Ford will do his campaign no good.

All the polls continue to show that the level of undecided voters is much higher than usual at this time in a campaign. Some estimates put the figure as high as 15 per cent., though most think it is perhaps nearer 8 per cent.

Most surveys in the key States give either Mr. Ford or Mr. Carter only the narrowest of leads, and both have new commercials designed to prise loose support in these groups.

Mr. Ford, who has saved money for the purpose, has much more left to spend on this.

Relaxed

Friday's debate was watched by some 80m. people and seems to have been more warmly received than the previous two.

Both men were relaxed and each eschewed the aggressive and occasionally strident tone of the earlier meetings.

Polls taken after the debate indicate that although Mr. Carter was considered the winner, the debate did little to shift opinion and much continues therefore to hinge on this last week of campaigning.

The final debate, Page 4

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